98th Congress, 2d Session - - - - - - - - - House Document No. 98-159

DESIGNATION OF NINE CARIBBEAN BASIN COUNTRIES AS BENEFICIARIES OF THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTICE OF HIS INTENTION TO DESIGNATE NINE CARIBBEAN BASIN COUNTRIES AND ENTITIES AS BENEFICIARIES FOR THE PURPOSE OF GRANTING DUTY-FREE TREATMENT, PURSUANT TO PUBLIC LAW 98-67, SECTION 212(a)(1)(A)

JANUARY 24, 1984.—Referred to the Committee on Ways and Means and ordered to be printed

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THE WHITE HOUSE,
Washington, December 29, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 212 of the Caribbean Basin Economic Recovery Act (CBERA), I wish to inform you of my intent to designate the following nine Caribbean Basin countries and entities as beneficiaries of the trade-liberalizing measures provided for in this Act: Antigua and Barbuda, Belize, the British Virgin Islands, El Salvador, Grenada, Guatemala, Haiti, Honduras, and Montserrat. Designation will entitle the products of said countries, except for products excluded statutorily, to duty-free treatment for a period beginning on January 1, 1984 and ending on September 30, 1995. As beneficiaries, these nine also have the opportunity to become eligible for the convention expense tax deduction under Section 274(h) of the Internal Revenue Code of 1954, by entering into an exchange of information agreement with the United States on tax matters.

Designation is an important step for these countries in their battle to revitalize and rebuild their weakened economies. Designation is also significant because it is further tangible evidence of the constructive cooperation between the United States and the peoples and governments of the Caribbean Basin.

My decision to designate the group of nine flows out of discussions held between this Administration and potential beneficiary countries and entities regarding the designation criteria set forth in Section 212 of the CBERA. Our discussions with the nine were concluded this month subsequent to the designation of eleven countries and entities on November 30. Discussions are still underway with other potential beneficiaries, and I will designate additional countries as this becomes appropriate.

The nine countries have demonstrated to my satisfaction that their laws, practices and policies are in conformity with the designation criteria of the CBERA. The governments of these countries and entities have communicated on these matters by letter with Secretary of State Shultz and Ambassador Brock and in so doing have indicated their desire to be designated as beneficiaries (copies of the letters are attached). On the basis of the statements and assurances in these letters, and taking into account information developed by United States Embassies and through other sources, I have concluded that the objectives of the Administration and the Congress with respect to the statutory designation criteria of the CBERA have been met.

I am mindful that under Section 213(B)(2) of the CBERA, I retain the authority to suspend or withdraw CBERA benefits from any designated beneficiary country if a beneficiary's laws, policies or

practices are no longer in conformity with the designation criteria. The United States will keep abreast of developments in the beneficiary countries and entities which are pertinent to the designation criteria.

This Administration looks forward to working closely with its fellow governments in the Caribbean Basin and with the private sectors of the United States and the Basin countries to ensure that the wide-ranging opportunities opened by the CBERA are fully utilized.

Sincerely,

RONALD REAGAN.

Text of Letter from the Government of Guatemala Requesting Designation as a CBI Beneficiary

Guatemala, November 30, 1983

Mr. Trade Representative:

On behalf of the Government of Guatemala, I have the honor of presenting to the distinguished Government of the United States, by means of your excellency, the following statement as agreed to during the work session held in the city of Guatemala the sixth of September of the present year, between representatives of the Government of the United States of America and the Guatemalan Government, with respect to the requirements which must be satisfied by countries interested in being eligible as beneficiaries of the Caribbean Basin Economic Recovery Act.

As the primary point, the Government of Guatemala, by this means, makes a formal and express declaration of its desire that the Republic of Guatemala be designated as a beneficiary country of the Caribbean Basin Economic Recovery Act, in conformity with Subsection C, No. 1, Section 212.

With respect to the obligatory criteria of eligibility whose pertinence to a certain country impedes its designation as a beneficiary country, the Government of Guatemala makes the following declaration to demonstrate that the country is not included

in such situations.

1. If such a country is communist.

It is well known by governments and international public opinion that for several years Guatemala has been the victim of an attack by subversive forces of marxist-communist ideology that, with the support of foreign powers, has tried to destablize the country to seize power.

2. Compliance with certain criteria in relation to expropriation of property of the United States.

Investment guarantee agreement entered into by exchange of notes between the U.S. Embassy and the Ministry of Foreign Affairs of Guatemala, August 9, 1960. Approved by Congressional Decree No. 1545 of August 22, 1962. Ratified August 27, 1962. Published September 4, 1962. In force since August 29, 1962.

The objective is to promote investment in Guatemala of private capital of U.S. origin by guaranteeing investors against possible losses that might result from inconvertibility or expropriation. In case of a claim concerning which there had not been a satisfactory solution through direct negotiations, the claim would be submitted to arbitration. This agreement substitutes for the agreement on the same matter signed March 23, 1955.

Likewise, due respect for private property is built into the fundamental statute of government, the supreme law of the nation, whether the property be goods, property, trademarks or patents, as established in number 3 of Article 23 that "private property is recognized and everyone may freely dispose of his goods in conformity with the law."

The provision of the law just mentioned also estabishes that expropriations will not be made except in cases of public utility or necessity duly proved and in conformity with the law.

In this regard it should be noted that in extreme cases of declaring a good to be subject to public utility or necessity or of social interest, the procedure that has been established in the corresponding law must be followed for expropriation, regardless of the rank or civilian or military status of the state authorities, who must act scrupulously and assiduously within the law's jurisdiction with all legitimate means at their disposal to obtain strict compliance with, and the most effective maintenance of, the guarantees and individual rights that are recognized in the fundamental statute of government, among which is found precisely that of private property.

Guatemala has been and will be guided by international standards to provide prompt, adequate and effective compensation in the

event of expropriation of U.S. property.

3. Non-compliance with arbitration involving U.S. citizens.

Arbitration is an institution recognized by national law, in virture of which the parties of a contract have the right to submit their differences to the process of arbitration. In this regard Guatemala meets its commitments, and at present there does not exist any case of this kind.

Further, no claims have been submitted to arbitration in which the Government of Guatemala has failed to act in good faith in recognizing as binding, or in enforcing, arbitral awards in favor of U.S. citizens or corporations.

4. If such country affords preferential treatment to the products of a developed country other than the United States, which has, or is likely to have, a significant adverse affect on United States commerce, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated or that action will be taken to assure that there will be no such significant adverse affect, and he reports those assurances to the Congress. As a developing country, Guatemala does not grant preferences to developed countries.

5. If national television or radio (property of the Government)

broadcasts or has broadcast materials subject to copyright, including films or television material, belonging to United States copyright owners, without their express consent.

The radio station "TGW - The Voice of Guatemala", as well as channel 5 of television, has never used this kind of material.

Moreover, no entity owned by the Government of Guatemala will engage in the rebroadcasting of materials belonging to U.S. copyright holders without their express consent.

6. That it does not take adequate steps to cooperate with the United States to prevent narcotics from entering the United States.

Considering traffic in narcotics as an international crime, our country has maintained and will maintain a tenacious struggle to resist this crime in its distinct forms of commission, giving determined collaboration at the international level to minimize the incidence of such slippery traffic.

National law has provided rigorous punishment for trafficking in drugs, creating in the penal code, Articles 306, 307, 309 and 310, distinct crimes that encompass the possible forms of conduct, beginning with planting and cultivating plants that produce narcotic substances, illegal traffic in drugs or narcotics,

facilitating their use, and spreading their consumption.

The section of narcotics and dangerous drugs, a dependency of the Directorate General of the National Police, is especially dedicated to prosecution and prevention of the criminal acts mentioned above. This gives an idea of the importance assigned to this type of criminal penalties in our country.

In accordance with that expressed above, Guatemala is formally committed to the tenacious struggle against narcotics traffic and will continue taking pertinent measures to eradicate the social affliction signified by such infamous and illegal trade, assuming a position of close and unlimited collaboration with international agencies committed to the same task.

In addition, Guatemala is party to the following conventions:

-- Convention for repression of illegal traffic in dangerous drugs signed in Geneva June 26, 1936, to which Guatemala adhered on August 5, 1937.

-- Single convention on narcotics signed in New York March 30, 1961; ratified October 11, 1967, with instrument of ratification deposited December 1, 1967.

-- Convention on hallucinatory substances signed in Vienna

February 11, 1971 and ratified July 25, 1979.

7. Unless signatory of an extradition treaty with the United States of America.

There is an extradition treaty between Guatemala and the United States of America, signed in Washington February 27, 1903. Approved by legislative decree No. 561 of April 28, 1903. Ratified June 12, 1903. Exchanged June 16, 1903. Published October 1, 1903.

The supplemental agreement to the extradition treaty, was signed in Guatemala February 20, 1940. Approved by legislative decree No. 2414 of April 10, 1940. Ratified June 20, 1940. Exchanged February 6, 1941. Published January 6, 1941.

Concerning the discretionary requirements contained in subsection C of section 212, information is provided that can be amplified:

1. An expression by such country of its desire to be designated. On this pont an express statement was made in the second paragraph of this note.

2. The economic conditions in such country, the living standards of its inhabitants, and any other economic factors which he deems appropriate. Economic conditions in the cuntry can be

described in the following data: In 1981 1,334,890 families extreme poverty with an annual income of Q1,207; 31.9 percent in conditions of poverty not so extreme with an annual income between Q1,207 and Q2,237. The country has an illiteracy rate of 47 percent, with rural areas most affected. For 7.6 million inhabitants there are only 64 hospitals. The country has a housing deficit equivalent to 557,000 dwellings, approximately 33 percent of the total.

To promote economic development, besides measures to control public expenditure, restrictions to avoid capital flight and others relating to monetary policy, the Government is continuing to formulate strategies and policies to accelerate the development of the country in the shortest period possible. It is furthering development through strengthening its institutions as well as stimulating private initiative; productive sectors; encouragement of exports through decree 73-83 that removes export taxes. Nevertheless, being a developing country, not industrialized, it needs external cooperation to further its social and economic development.

3. The extent that the country is prepared to provide reasonable and equitable access to its internal market and its basic comodities.

In conformity with Guatemala's legal structure, access to its markets and acquisition of products in Guatemala, including

its basic commodity resources, is equitable for any country. Guatemala maintains an open, trading regime which is non-discriminatory with the exception of preferences to other CACM members and which does not unduly restrict trade with the United States or third countries. The Government of the Republic of Guatemala will notify the U.S. Government on a reciprocal basis with regard to the introduction, intensification, extension, and modification of any measure taken in response to balance-of-payments problems or to protect infant industries. Wherever practicable, the Government will inform the United States Government of the dates set for the removal of such measures.

4. The decree to which the country follows accepted rules of international trade provided in the GATT.

Even though Guatemala is not a member of the GATT, it has followed with interest the development and application of its norms and its trade posture has observed the general norms of that agreement.

It is important to indicate that in the framework of this international trade policy, Guatemala has signed several agreements in the framework of the GATT; the agreements related to textiles and their different renewals merit special mention.

Also, as member party of a Central American Common Market, Guatemala has followed a policy of support of those initiatives that,

in the regional context, have responded to initiatives emanating from agencies of the GATT.

In that regard it is important to indicate that Guatemala, together with the other member countries of the Central American Common Market, participated positively and with great interest in the Tokyo Round of GATT multilateral trade negotiations, and it formed part of a high-level mission that represented Central America in the meetings of the trade negotiations committee that took place at GATT Headquarters, Geneva, in 1978.

On that occasion, following guidelines adopted during the respective meetings of the integration ministers, Gatemala was sympathetic with the activities taking place and participated actively in such multilateral trade negotiations, contributing especially to encouraging the other countries of the Central American Common Market to present, as a regional input to the MTN, an effective contribution that consisted in a Central American tariff reform proposal.

The above is a concrete demonstration of the interest that Guatemala has maintained in the activities of the GATT and constitutes the basis of the closeness that Guatemala has maintained in its foreign trade toward the norms of the GATT.

Given the broad compatibility between the internal legislation

of Guatemala and the norms of the GATT, the Government of Guatemala intends to seek entry to the GATT. This action will be taken in consultation with the member states of the Central American Common Market, taking into account the commitments acquired at the regional level on this matter, notwithstanding that such commitments are accepted by Article XXIV of the GATT as an exception to the application of the most favored nation clause.

5. The decree to which the country uses export subsidies or imposes export performance requirements or value added requirements that could distort international trade.

Where the fiscal incentives related to exports are granted, the Guatemalan Government will review its trade promotion policies and practices with the objective of ensuring that these do not distort international trade. The Government of Guatemala agrees to consult with the United States Government if the United States Government believes that any trade practices of the Government of Guatemala have a trade distorting effect. In the interim, the Guatemalan Government agrees not to expand the overall level of subsidies. Guatemala does not and will not impose performance requirements which would distort its trade with the United States.

6. The decree to which the trade policies of such country as they relate to other beneficiary countries are contributing

to the revitalization of the region.

Guatemala recognizes the vital importance invested in the process of Central American integration in its political, economic, social, cultural and jurisdicial aspects, as a central factor in the reunification and development of the Republics of the Isthmus; within this context Guatemala has supported and will support every effort to revive and restructure the Central American Common Market.

7. The decree to which such country is undertaking self-help measures to promote its own economic development.

August 1, 1983 a new value-added tax system (VAT) entered into force, from which income it is hoped that the state will have the capability to reactivate the economy of the country and to lay the foundation of a series of measures that it is taking to promote investment and trade. The recent reduction in the amount of the VAT from 10 percent to 7 percent was subject to prior consultation with the IMF. Products used as inputs to traditional exports have already been exempted from import taxes. Regarding how the Government will attend to payments in arrearages of Guatemalan external obligations, I am pleased to state that a letter of intent has been signed to pay a minimum of $50 million in 1983 and a minimum of $100 million in 1984. Regarding the amount of the $260 million of stabilization bonds that has been

accepted abroad, the principal motive of the stabilization bonds is to absorb the excess of liquidity in the national banking system; we still do not have data on the amount accepted because the measure was recently applied. This aspect is secondary, and it will be a matter of time for complete acceptance of such bonds. The same mechanism occurred with reconstruction bonds when at first their acceptance was slow but later they were completely absorbed by the public.

No law or prohibition exists with respect to repatriation of capital. The Government and the private sector have been making a joint effort to increase exports through a permanent plan whose program this year bears the name "let's export - 83". In addition a program in its initial phase already exists to take advantage of the Caribbean Basin Economic Recovery Act. This program is being adapted due to the limited form in which that law was approved.

The exchange system of Guatemala has traditionally been free of restrictions on payments and current international transfers. In April 1980 there was established an emergency regime for control of international transfers by capital movements which includes restrictions on some current operations that could disguise capital exports, particularly invisibles payments. These restrictions are temporary measures and are proposed for elimination to the extent that the objectives are achieved of

the external adjustment program that the Government has put in practice. The national authorities, likewise, intend to consult with the international monetary fnd for this purpose.

In recognition of the appropriateness of OPIC programs to stimulate private investment from the United States, the Government of Guatemala decided in September, 1982, to simplify procedures for determining whether there would be any objection to the issuance of insurance or guarantees by OPIC to United States businessmen interested in investing in Guatemala. The simplified procedures are hereby reconfirmed, and a copy of the Ministry of Economy letter DME-830-82, of September 28, 1982, which sets forth the documentary requirements, is attached as Annex A. The appropriate administrative arrangements will also be made to facilitate the expansion of OPIC programs in Guatemala. The National Export Promotion Center (GUATEXPRO) had elaborated plans to promote Guatemalan exports, especially of non-traditional products; but in view of GUATEXPRO's closing by the Government of the Republic, the Ministry of Economy has made public its decision to absorb the important functions that the center had charge of.

8. The decree to which workers of such country enjoy reasonable workplace conditions and the right to organize and bargain collectively.

Free trade unionism is established in Gatemala by law, at present a list of reforms to the labor code is projected to unify all that legislation in one body of law.

The Government of Guatemala has extended full legal recognition to the Confederation of Labor Unity of Guatemala (CUSG), as may be seen in Annex C. There exists no restriction on the right to form trade unions; the right of these unions to form federations; the right of Guatemalan labor organizations to affiliate with international trade union associations; and the right to collective bargaining. The right to strike exists except in the case of farm workers at harvest time and areas in which the suspension of work affects the national economy. Provisions of law that protect Guatemalan workers are summarized in Annex B.

9. The extent to which such country adopts adequate and effective measures in accordance with its law, in order that foreign nations can obtain, exercise and apply exclusive rights over intellectual property, including rights over patents, trademarks and copyrights.

The Government of Guatemala agrees to take all steps within its authority to provide under its laws adequate and effective means for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property, including patents, trademarks and copyrights.

The universal copyright convention and protocols 1, 2 and 3 were signed by Guatemala on September 6, 1952, in Geneva. Approved by Decree Law No. 251 dated July 16, 1964. Ratified on July 17, 1964. Instrument of ratification deposited on July 28, 1964. Published on July 29, 1964.

The contracting states are committed to take the necessary steps to assure sufficient and effective protection of copyrights or any others entitled to these rights, covering literary works, both scientific and artistic, musical, dramatic, and cinematographic works, and paintings, recordings and sculpture.

Each contracting state is committed to take, in accordance with its legislation, the necessary measures to assure application of the convention.

The convention creates an intergovernmental committee to study the problems related to its application and functioning.

10. The extent to which such country prohibits its nationals from dedicating themselves to the broadcast of copyrighted material, including films or television material belonging to U.S. copyright owners without their express consent.

This is totally prohibited by the law of radio broadcasting in effect in this country, Decree Law 433 and its modifications contained in Article 15 of Decree Law 458 which amends Article 36 of Decree Law 433; also, Article 18 of Congressional Decree 33-70 which modifies sub-paragraph 2 of Article 58 of Decree Law 43.

Additionally, the Guatemalan Government will ensure that any broadcasting, including use of cable systems, by Guatemalan nationals of U.S. copyrighted material will occur only with the express consent of the copyright owners. The Guatemalan Government will cooperate in arranging negotiations among the appropriate parties in order to reach expeditiously agreements providing such consent.

11. The extent to which such country is disposed to cooperate with the United States in the administration of the provisions of this title.

The Government of Guatemala harbours a strong will and is ready to cooperate with the United States in administering what is stipulated in Title 1 of the referenced law.

The Government of Guatemala understands and as a result makes the formal offer that, in the event Guatemala is designated

a beneficiary country of the provisions of the Caribbean Basin Economic Recovery Act, it will elaborate, within 90 days of the designation, a program or plan of food and nutrition to assure the Guatemalan populace that they can count on sufficient volume of basic products for national consumption.

The Government of the Republic of Guatemala understands that the Caribbean Basin Economic Recovery Act recognizes the athority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. Guatemala agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of United States law. The Government of Guatemala would be prepared to consult with the United States Government upon request concerning such changes.

The Chancery considers the current exposition as a reflection of the strong will of the Government of Guatemala to cooperate with the Government of the United States so that Guatemala will be included among the beneficiary countries of the Caribbean Basin Economic Recovery Act; it can be elaborated upon in those points which are considered necessary.

I take advantage of the opportunity to reiterate to your excellency the assurances of my most high and distinguished consideration.

Fernando Andrade Diaz-Duran
Minister of Foreign Affairs

3. AS AN ANNEX TO THE ABOVE, THE FOREIGN MINISTER INCLUDED A LETTER TO DIR FROM LIC. OTTO PAIVA [redacted]

SPANISH TEXT:

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I HAVE THE HONOR OF ADDRESSING MYSELF TO YOU TO ACKNOWLEDGE RECEIPT OF YOUR KIND NOTE FROM THE MINISTRY, NUMBER 28983, IN REFERENCE IEGA-6 0180, DATED THE FOURTH OF THE PRESENT MONTH, WHICH REQUESTED AMPLIFICATION OF THE POINTS OF VIEW EXPOUNDED IN COMMUNICATION NUMBER 2246 OF THIS MINISTRY.

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IN REPLY TO THE QUESTIONS FORMULATED IN THE ACCOMPANYING QUESTIONNAIRE, PERMIT ME TO RESPOND AS FOLLOWS:

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A) PRESENT GOVERNMENT POLICY WITH RESPECT TO ORGANIZED LABOR IS ONE OF ABSOLUTE RESPECT FOR THE LIBERTY OF UNIONS IN COMPLIANCE WITH THE PROVISIONS OF OUR LABOR LEGISLATION, CONTAINED IN: A) THE CONVENTIONS OF THE ILO, NUMBERS 87 AND 98, TO THE LIBERTY OF UNIONS AND THE RIGHT OF ORGANIZATION AND COLLECTIVE BARGAINING, CONVENTIONS WHICH BY VIRTUE OF THEIR RATIFICATION ARE LAWS OF THE REPUBLIC AND MUST BE OBSERVED; B) THE FUNDAMENTAL STATUTE OF GOVERNMENT, DECREE LAW 24-82, WHICH ESTABLISHED IN CHAPTER IX (LABOR), AMONG OTHER PRINCIPLES OF SOCIAL JUSTICE, THE RIGHT OF FREE ORGANIZATION OF WORKERS AND EMPLOYERS FOR THE EXCLUSIVE ENDS OF ECONOMIC PROTECTION AND SOCIAL BETTERMENT AND THE RIGHTS TO STRIKE AND TO SUSPEND WORK, EXERCISED IN CONFORMITY WITH THE LAW (ARTICLE 51, NUMBERS 12 AND 13); AND, C) CODE OF LABOR, DECREE 1441, OF THE CONGRESS OF THE REPUBLIC, WHICH CONTAINS THE DEVELOPMENT OF SAID PRINCIPLES IN TITLES 6 AND 7, ARTICLES 206 TO 257, AND THE RESPECTIVE PROCEDURE IN THE TWELFTH TITLE, ARTICLES 374 TO 413.

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IN ADDITION TO THE LEGAL FOUNDATION OF SUCH RIGHTS, THE GOVERNMENT REITERATES ITS FIRM DETERMINATION TO PERMIT THE UNRESTRICTED EXERCISE OF FREE ORGANIZATION OF LABOR AND ITS PROTECTION BY MEANS OF ADMINISTRATIVE AND JUDICIAL ACTIONS PROVIDED IN THE LAW ITSELF TO GUARANTEE ITS OBSERVANCE.

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B) IT IS CATEGORICALLY AFFIRMED THAT PRESENTLY NO WORKERS ARE PERSECUTED, DETAINED, OR HARRASSED BECAUSE OF THEIR UNION ACTIVITIES.

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--AS PREVIOUSLY INDICATED IN A) ABOVE, THE FUNDAMENTAL STATUTE OF GOVERNMENT AND THE CODE OF LABOR PROTECT THE RIGHTS OF PRIVATE SECTOR WORKERS TO ORGANIZE WHATEVER UNIONS THEY DESIRE, WITHOUT RESTRICTIONS TO THOSE RIGHTS.

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ARTICLE 211 OF THE CODE OF LABOR PROVIDES THAT "THE EXECUTIVE BRANCH, THROUGH THE MINISTRY OF LABOR AND SOCIAL WELFARE AND UNDER THE RESPONSIBILITY OF THE HEAD OF THIS MINISTRY, MUST PRESCRIBE AND CARRY OUT A NATIONAL POLICY FOR THE PROTECTION AND DEVELOPMENT OF ORGANIZED LABOR."

THE THIRD PARAGRAPH OF ARTICLE 218 OF THE SAME LEGAL BODY, REFERRING TO THE PROCEDURE FOR THE INCORPORATION OF UNIONS, INDICATES THAT "THE MINISTRY MAY NOT REFUSE TO ACT FAVORABLY UPON AN APPLICATION IF IT HAS BEEN COMPLETED IN CONFORMITY WITH LEGAL REQUIREMENTS."

[redacted]

RESPONSIBILITIES ESTABLISHED BY LAW FOR RECOGNITION AS A JURIDICAL PERSON, AS A RESULT OF WHICH THE DIRECTOR GENERAL OF LABOR, THE OFFICE OF THIS MINISTRY IS CHARGED OF CARRYING OUT THE CONSTITUTIONAL ADMINISTRATIVE PROCEDURES FOR THE UNIONIZATION OF WORKERS, RENDERED ON SEPTEMBER 29 TO THE MINISTER A FAVORABLE REPORT CONCLUDING, BASED ON STUDY OF THE ADMINISTRATIVE PROCEDURE, THAT THE DOCUMENTS PRESENTED CONFORM WITH LEGAL REQUIREMENTS IN THEIR FORM AND CONTENT. BY VIRTUE OF THIS, THE MINISTRY, AT MY DIRECTION, IN OBSERVANCE OF THE PROVISIONS OF ARTICLE 217 OF THE LABOR CODE, DRAFTED THE RESPECTIVE GOVERNMENTAL RESOLUTION RECOGNIZING THE JURIDICAL PERSONALITY OF THE CONFEDERATION OF LABOR UNITY OF GUATEMALA, AUTHORIZING IT TO INITIATE ITS ORGANIZING ACTIVITIES, WHOSE DOCUMENTATION WAS SUBMITTED FOR THE CONSIDERATION AND SIGNATURE OF THE CHIEF OF STATE ON THE SIXTH OF THE PRESENT MONTH (OCTOBER, 1983).

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THE COMMISSION FOR THE APPLICATION OF CONVENTIONS AND RECOMMENDATIONS OF THE ILO IN 1981 INCLUDED GUATEMALA IN THE LIST OF "SPECIAL CASES" OF COUNTRIES CENSURED FOR VIOLATION OF LABOR FREEDOM.

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THE IMAGE OF GUATEMALA IN THAT WORLD FORUM HAS

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INCOMING TELEGRAM

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ACTION ARA-00

INFO OCT-00 ODP-00 ADS-00 AID-00 IGD-10 SS-00 CIAE-00
EB-00 DODE-00 D-01 EXIM-06 HSCE-00 HEAE-00 ISP-00
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OCA-01 OMB-00 STR-14 STL-01 IRM-06 INSE-00 AGRE-00
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INFO USDOC WASHDC IMMEDIATE.

UNCLAS SECTION 10 OF 12 GUATEMALA 10956

USDOC FOR 4322/IEP/MS/OCA - THERIOT AND KATZMAN

E.O. 12356: N/A
TAGS: ETRD, EINV, EAID, GT
SUBJECT: SECOND DRAFT CBI DESIGNATION LETTER -

OSTENSIBLY CHANGED IN ITS FAVOR SINCE THE 68TH MEETING OF THE INTERNATIONAL CONFERENCE OF LABOR, IN WHICH THE UNDERSIGNED MADE A CLEAR DISTINCTION BETWEEN THE SITUATION WHICH PREVAILED BEFORE THE MONTH OF MARCH, 1982 AND THAT CORRESPONDING TO THIS NEW PERIOD, BECAUSE OF WHICH, IN RELATION TO THE ACCUSATIONS OF VIOLATIONS OF SAID FREEDOMS BROUGHT BEFORE THE COMMITTEE OF LABOR FREEDOM, NUMBERS 934, 957, 976 AND 1025, COMMITTED PRIOR THE NEW ADMINISTRATION, IT WAS AGREED THAT THE GOVERNMENT ASSUMES NO RESPONSIBILITY WHATEVER.
--
IN THE REPORTS OF THE COMMISSION FOR THE APPLICATION OF CONVENTIONS AND RECOMMENDATIONS OF THE ILO CORRESPONDING TO THE MEETINGS OF THE YEARS 1982 AND 1983, GUATEMALA DOES NOT APPEAR IN THE CATEGORY OF "SPECIAL CASES" CONTAINED IN SAID REPORTS, IN CONTRAST TO THE YEAR 1981 IN WHICH IT IS MENTIONED ALONG WITH ARGENTINA, BOLIVIA AND RUSSIA. BY VIRTUE OF THAT, ONE WOULD JUDGE THAT GUATEMALA IS NOT INCLUDED IN SPECIAL LISTS OF THE ILO.
--
AT PRESENT, THERE EXIST THREE COMPLAINTS PRESENTED TO THE ILO FOR SUPPOSED VIOLATIONS OF LABOR FREEDOM, WHICH ARE KNOWN TO THE RESPECTIVE COMMITTEE AND IN RELATION TO WHICH THE MINISTRY OF FOREIGN RELATIONS AND THIS MINISTRY HAVE ASKED THE MINISTRY OF GOVERNMENT FOR A REPORT ON THE RESULTS OF THE INVESTIGATIONS. THE COMPLAINTS ARE CONTAINED IN CASES 1176 TUR-1-27 (D), 1195 TUR-1-27 (Y) AND 1215 TUR-1-27 (D).
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WITH RESPECT TO THE FIRST TWO, THE MINISTRY OF GOVERNMENT HAS ADVISED THAT THE INVESTIGATIONS CARRIED OUT HAVE NOT PRODUCED CONCLUSIVE RESULTS BECAUSE OF WHICH THEY WILL CONTINUE UNTIL THE WHEREABOUTS OF THE MISSING PERSONS IS COMPLETELY CLARIFIED. WITH RESPECT TO THE LAST, THE CORRESPONDING REPORT HAS NOT BEEN RECEIVED BUT WILL BE PROVIDED WHEN AVAILABLE BY THE MINISTRY OF FOREIGN RELATIONS TO THE COMMITTEE ON LABOR FREEDOM.
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THE CODE OF LABOR, CONGRESSIONAL DECREE 1441, IN ARTICLES 209, 210 AND 218, PROTECTS WORKERS AGAINST ANTI-UNION DISCRIMINATION.
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EQUALLY, ARTICLES 209, PREVIOUSLY CITED, AND 221, 223, AND 223 OF THE CODE OF LABOR PROTECT WORKERS AGAINST ACTS OF INTERFERENCE BY THE GOVERNMENT OR THE EMPLOYER IN THEIR INTERNAL ACTIVITIES.
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THERE EXISTS NO RESTRICTION ON THE RIGHTS OF UNION MEMBERS TO JOIN OR AFFILIATE WITH FREE LABOR ORGANIZATIONS, NATIONAL AS WELL AS INTERNATIONAL.
--
THERE EXISTS NO RESTRICTION ON THE RIGHTS OF VOLUNTARY COLLECTIVE BARGAINING FOR BETTER SALARIES AND WORKING CONDITIONS. FURTHER, THERE IS AN OBLIGATION TO NEGOTIATE IN THE FORM INDICATED BY ARTICLE 51 OF THE CODE OF LABOR.
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THE ONLY RESTRICTIONS WITH RESPECT TO THE RIGHT TO STRIKE CONTAINED IN SECTIONS A) AND B), ARTICLE 243, OF THE LABOR CODE, REFER TO THE CASE OF FARM WORKERS AT HARVEST TIME AND TO THAT OF EMPLOYEES OF COMPANIES OR SERVICES SO DESIGNATED BY THE EXECUTIVE BRANCH WHEN, IN ITS JUDGMENT, IT DETERMINES THAT THE DISPERSION OF WORK AFFECTS THE NATIONAL ECONOMY. IN SUCH CIRCUMSTANCES, OBLIGATORY ARBITRATION PROCEEDS IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 387 OF

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ACTION ARA-06

INFO OCT-00 COPY-01 [illegible] AID-00 IAD-10 SS-00 CIAE-00
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CEA-01 OMB-01 STR-01 STE-05 IGH-05 IOEE-00 AGEE-00
FRB-01 USIE-00 JUSE-00 DEAE-00 SP-02 SSP-01 PRS-01
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------------------075466 020111Z /62

O 012334Z DEC 83
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC IMMEDIATE 8415
INFO USDOC WASHDC IMMEDIATE

UNCLAS SECTION 11 OF 12 GUATEMALA 10458

USDOC FOR 4322/ICP/MH/OCA - THERIOT AND BATEMAN

E.O. 12356: N/A
TAGS: ETRD, EINV, EAID, GT
SUBJECT: SECOND DRAFT CBI DESIGNATION LETTER -

THE SAME LEGAL BODY. ARTICLES 374 THROUGH 413 OF THE CODE OF LABOR CONTAIN THE PROCEDURES FOR THE RESOLUTION OF COLLECTIVE DISPUTES OF A SOCIOECONOMIC CHARACTER, WHETHER BY MEANS OF DIRECT SETTLEMENT, CONCILIATION, STRIKE, OR ARBITRATION, AS WELL AS THE PROCEDURE FOR ORDINARY LABOR ADJUDICATION FOR THE RESOLUTION OF INDIVIDUAL DISPUTES CONTEMPLATED IN ARTICLE 321 AND SUCCEEDING ARTICLES.
--
THE RECOGNITION OF UNIONS BY EMPLOYERS AND THE OBLIGATION TO BARGAIN COLLECTIVELY ARE ESTABLISHED IN ARTICLE 51 OF THE CODE OF LABOR PREVIOUSLY MENTIONED.
--
C) THE LABOR CODE CONTAINS PROVISIONS FOR THE PROTECTION OF WORKERS IN THE FOLLOWING AREAS:
--
1) FORCED LABOR AND CHILD LABOR, ARTICLES 21, 22, 31, 32, 147, AND 148.
--
2) WEEKLY REST, ARTICLE 126.
--
3) MINIMUM WAGES, ARTICLES 103 THROUGH 115 AND ARTICLE 278.
--
4) SAFETY AND HEALTH IN THE WORK PLACE, ARTICLES 197 AND 198 OF THE LABOR CODE.
--
FINALLY, THE DECISION OF THE PRESENT GOVERNMENT TO ENFORCE LABOR LAWS WHICH PROTECT WORKERS AND THEIR ORGANIZATIONS, BY MEANS OF THE ADMINISTRATIVE MEASURES OF INSPECTION OF LABOR AND JUDICIAL MEASURES FOR THE APPLICATION OF THE NORMS IN EFFECT IS REITERATED.
--
I AVAIL MYSELF OF THIS OPPORTUNITY TO RENEW THE ASSURANCE OF MY HIGHEST AND MOST DISTINGUISHED CONSIDERATION.
--
LIC. OTTO PEREZ FIGUEROA
MINISTER OF LABOR AND SOCIAL WELFARE
--
4. INFORMAL TRANSLATION FOLLOWS OF THE NEW ANNEX C, A LETTER DATED NOVEMBER 14, 1983, FROM MINISTER OF LABOR CARLOS F. BILLY MAZARIEGOS TO VICE MINISTER OF FOREIGN AFFAIRS FEDERICO FUNCHS ORTEGA
--
BEGIN TEXT:
--
MR. VICE MINISTER:
--
I HAVE THE HONOR OF ACKNOWLEDGING RECEIPT OF YOUR KIND COMMUNICATION NUMBER 23114 OF THE 9TH OF THE PRESENT MONTH IN WHICH YOU REQUEST INFORMATION ABOUT THE STEPS TAKEN BY THE CONFEDERATION OF LABOR UNITY OF GUATEMALA (CUSG) TO OBTAIN RECOGNITION AS A JURIDICAL PERSON.
--
WITH REGARD TO THE MATTER, I HAVE THE PLEASURE OF INFORMING YOU THAT BY MEANS OF GOVERNMENTAL RESOLUTION NO. 823-83, DATED NOVEMBER 1 OF THE PRESENT YEAR, THE EXECUTIVE BRANCH APPROVED THE STATUTES OF THE CONFEDERATION OF LABOR UNITY OF GUATEMALA AND EXTENDED TO IT RECOGNITION OF ITS JURIDICAL PERSONALITY; THE RESPECTIVE DOCUMENTATION AND RESOLUTION ARE BEING SENT THIS SAME DATE TO THE DIRECTORATE GENERAL OF LABOR FOR ITS NOTIFICATION AND SO THAT THE REGISTRATION OF SAME IN THE PUBLIC REGISTER OF UNIONS MAY PROCEED.
--
MAY HE NOTHING FURTHER, I TAKE ADVANTAGE OF THE OPPORTUNITY TO EXTEND THE VICE-MINISTER MY REGARDS AND HIGH ESTEEM.
--
5. INFORMAL TRANSLATION FOLLOWS OF THE NEW ANNEX A, A LETTER DATED SEPTEMBER 28, 1982, FROM THE MINISTER OF ECONOMY JULIO P. MATHEU TO AMBASSADOR CHAPIN, REF. NO. DME-838-82.
--

UNCLASSIFIED

UNCLASSIFIED

Department of State

INCOMING TELEGRAM

PAGE 01 GUATEM 10458 12 OF 12 [illegible] [illegible]
ACTION ARA-06

INFO OCT-00 COPY-01 ADS-00 AID-00 INR-10 SS-00 CIAE-00
EB-06 DODE-00 H-01 EXIM-06 NSCE-00 NSAE-00 SSO-00
HA-05 L-03 LOC-01 LAB-04 TRSE-00 OPIC-07 PA-02
CEA-01 OMB-01 STR-10 SIL-01 INM-06 INRE-00 AGRE-00
FRB-02 USIE-00 JUSE-00 DEAE-00 SP-02 SNP-01 PRS-01
TCIP-02 /082 W

[illegible] 075472 [illegible] /82

O 012334Z DEC 83
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC IMMEDIATE 8416
INFO USDOC WASHDC IMMEDIATE

UNCLAS SECTION 12 OF 12 GUATEMALA 10458

USDOC FOR 4322/IEP/WH/OCA - THERIOT AND BATEMAN

E.O. 12356: N/A
TAGS: ETRD, EINV, EAID, GT
SUBJECT: SECOND DRAFT CBI DESIGNATION LETTER -

BEGIN TEXT:
--
I HAVE THE HONOR TO WRITE, CONFIRMING THE CONVERSATIONS WE HAVE HAD, BOTH WITH REPRESENTATIVES OF OPIC ON SEVERAL OCCASIONS AND WITH THE MINISTER-COUNSELOR OF THE U.S. EMBASSY, MR. PAUL TAYLOR, AND YOURSELF, MR. AMBASSADOR, AS WELL AS HAD BEEN EXPRESSED TO OPIC OFFICIALS BY MY PREDECESSOR, MINISTER VALENTIN SOLORZANO FERNANDEZ, BY THIS LETTER WE CONFIRM THAT THE REQUIREMENTS NECESSARY FOR CONSIDERATION OF WHETHER WE WOULD HAVE ANY OBJECTIONS TO GRANTING INVESTMENT INSURANCE OR GUARANTEES BY OPIC TO NORTH AMERICAN BUSINESSMEN WHO WISH TO INVEST IN GUATEMALA WOULD BE SOLELY TO LET US KNOW:
--
A) NAME OF THE COMPANY;
--
B) THE ACTIVITY TO WHICH IT WOULD BE DEDICATED;
--
C) DOCUMENT WHICH FORMALLY ESTABLISHES FIRM (I.E., CORPORATE CHARTER);
--
D) THE MOST RECENT FINANCIAL STATEMENT OF THE COMPANY AND ANY OTHER DETAILS THAT OPIC HAS THE KINDNESS TO PROVIDE AND CONSIDERS RELEVANT AS A REFERENCE FOR OUR FILES. AN EXAMPLE OF THE LATTER KIND OF INFORMATION WOULD BE: THE NUMBER OF PERSONS THAT THE NEW INVESTMENT WOULD EMPLOY.
--
WE WOULD GREATLY APPRECIATE THAT THE AMBASSADOR HAVE THE KINDNESS TO INDICATE TO OPIC THAT, IN ACCORDANCE WITH WHAT THEY (OPIC) HAVE TOLD US, THE ONLY THING THAT WE WOULD UNDERTAKE TO DO IS TO LET THEM KNOW WHETHER OR NOT THERE IS AN OBJECTION OR IMPEDIMENT BY THE GOVERNMENT OF GUATEMALA TO FIRMS PROPOSED BY THEM (OPIC) ESTABLISHING AN OPERATION IN GUATEMALA, BUT THIS CONSENT SHOULD IN NO WAY BE CONSTRUED AS ANY GUARANTY, DIRECT OR INDIRECT. (COMPLEMENTARY CLOSE).
--
END TEXT. GRAHAM

UNCLASSIFIED

Text of Letter Delivered to
The United States Embassy

December 19, 1983

The Honorable William E. Brock
United States Trade Representative
Office of the United States Trade Representative
1800 G St., N.W.
Washington, D.C.

Dear Mr. Ambassador,

It is with a sense of great pride and satisfaction that I am forwarding my government's request for designation as a beneficiary country under the United States Caribbean Basin Economic Recovery Act. My Government is very pleased to be able to have the chance to take part in such a bold undertaking.

The Government of Grenada is well aware of the need for the country's private sector working with the private sectors of the other Caribbean countries and the private sector of the United States to act quickly to overcome the effects of the past several years. We are aware of the significance of this program, placing in our hands a twelve-year assurance of continuity of policy. I wish to commend your Government for its willingness to privide this opportunity. I am sure that future economic historians, when writing of the Caribbean, will mark January 1, 1984 as a significant watershed for the region's development.

For the following reasons, the Government of Grenada believes that it has satisfied the criteria of Section 212 [B] of the Caribbean Basin Economic Recovery Act [CBERA].

212 [B] 1: Grenada has a constitutional government which is in the process of organizing free and democratic elections.

212 [B] 2: The Grenadian Constitution of 1973, Section 6(1), sets out the procedure for acquiring property and the requirement that payment be adequate and prompt. This principle is reinforced in the Investment Code of 1983.

There are no current disputes involving U.S. citizens and the Government of Grenada arising out of the nationalization of property. Grenada respects exclusive property rights among which are intellectual property rights, including patents, duly-registered trademarks and tradenames, and copyrights.

212 [B] 3: The 1973 Constitution, Section 6(3), sets out the practices and procedures relating to arbitration.

There are no instances in which our government has failed to act in good faith in recognizing as binding or in enforcing arbitral awards on behalf of U.S. citizens or companies.

212 [B] 4: The Government of Grenada is neither granting, nor does it intend to grant any developed country preferential duty rates on imports into Grenada.

212 [B] 5: No entity owned or controlled by the Government of Grenada is engaged in the broadcast of any materials, including films or television materials, belonging to United States copyright holders without their express consent. Moreover, it is the intention of the Government of Grenada not to do so in the future.

212 [B] 6: The importation and exportation of narcotic drugs is prohibited by Sections 3, 4 and 6 of the Principal Ordinances. The Government of Grenada is seriously concerned about the problems caused by the production, distribution and use of narcotics.

Through the mechanism of international conventions and through agreements which may be realized between the police forces of both countries, Grenada will participate actively in controlling the illegal entry into the United States of narcotics and other controlled substances.
212 [B] 7: Since independence in 1974, Grenada has maintained in force a Treaty of Extradition with the United States.

For the following reasons the Government of Grenada believes that it is observing policies and practices which are in conformity with the designation criteria listed in Section 212[C] of the CBERA:

212 [C] 1: The Government of Grenada desires that Grenada be designated as a beneficiary country of this program.

212 [C] 2: Grenada's small open economy is based predominantly on agriculture. Production and export of its major products have stagnated or declined over the past two years. Grenada has the smallest manufacturing sector of any country in CARICOM. Tourism, which had been an important sector in the economy, has declined over the past four years to the point where the hotel occupancy rate in the 1983 season was less than 30 percent. Unemployment is a serious problem. The current unemployment rate is greater than 20 percent, and the number of people entering the job market continues to significantly exceed the number of jobs being created.

212 [C] 3: Grenada is a member of the Caribbean Common Market and offers preferential market access to other CARICOM members. With that exception, the Government of Grenada maintains an open non-discriminatory trading regime. One of the new government's first acts was to greatly reduce the number of items which require an import license. The government does have the authority to impose import licensing requirements, for a limited period, to protect newly established industries. That authority is in line with the rules governing CARICOM.

The Government of Grenada assures the United States that it will provide equitable and reasonable access to its markets and basic commodity resources.

212 [C] 4: Grenada applies the GATT (General Agreement on Tariffs and Trade) on a de facto basis and thus subscribes to the MFN (most favored nation) principle and the principle of notification and consultation.

212 [C] 5: In accordance with the rules of CARICOM, the Government of Grenada can grant a number of incentives for investors wishing to establish in Grenada. These incentives include: tax holidays of up to 15 years, depending on the amount of local value added; duty-free imports of needed raw materials and equipment; generally unrestricted repatriation of capital; and work permits for required foreign staff.

Where fiscal incentives are granted, the Grenadian Government will, in cooperation with the United States Government, review its trade promotion policies and practices with the objective of ensuring that these do not distort international trade. The Government of Grenada agrees to consult with the United States Government if either of the two governments believes that any trade practices of either government have a trade distorting impact. In the interim, the Government of Grenada will not

expand the overall level of its export subsidies. Grenada does not and will not impose performance requirements which would distort its trade with the United States.

212 [C] 6: Grenada is a member of CARICOM and the OECS. Both organizations were created to foster regional economic cooperation, and to improve trade and investment conditions. The Government of Grenada will continue to pursue trade policies with respect to other Caribbean Basin beneficiary countries which will assist in a revitalization of commerce in the region.

212 [C] 7: Although the current government has been in office for less than two months, it has already taken or set in motion a number of steps to improve its economic condition. As mentioned above, it has eliminated a significant number of products from the list requiring an import license. It has begun a complete review of the investment code to make sure it accurately reflects the priority given to revitalizing the private sector. It has established a group to examine the state of public enterprises, with a view toward their future operations. The Government is re-examining its entire fiscal policy and the implications of changes in taxation on the recurrent and capital budgets. It is the Government's intention to work with the private sector, both domestic and foreign, to revitalize the economy as quickly as possible.

212 [C] 8: The new government of Grenada is greatly concerned about the condition of the country's labor movement and the rights of its individual workers. The Constitution, Section 11, provides the individual with the right of assembly "in particular to form or belong to trade unions." The Trade Union and Trade Disputes Ordinance provides for the rights of workers to strike and peacefully picket. The Trade Unions Act of 1979 requires employers to bargain collectively with a trade union chosen by a majority of workers.
Although Grenada does not have a labor code, technical assistance has been requested from the International Labor Organization to draft such a code and to update existing labor laws. Workers in Grenada do have the right to form federations. Grenada has ratified ILO Convention 98.

212 [C] 9: The Government of Grenada will provide adequate and effective means for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property, including patents, trademarks and copyrights.

212 [C] 10: There is no private rebroadcasting currently being undertaken in Grenada. The Government of Grenada will ensure that any broadcasting by Grenadian nationals of U.S. copyrighted material will occur only with the express consent of the copyright owners.

212 [C] 11: The Government of Grenada will cooperate fully with the United States in administration of the provisions of the Caribbean Basin Economic Recovery Act related to the granting of duty-free access to the U.S. market.

The Government of Grenada understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. Grenada agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the U.S. law. The Government of Grenada would be prepared to consult with the United States Government upon request concerning such changes.

I trust that the above information will prove useful in making a determination with regards to the qualifications of Grenada for the benefits of the CBERA. The Grenadian people look forward to the opportunities afforded them under this program, and we intend to pursue those opportunities with considerable energy and imagination.

Sincerely yours,

Nicholas Brathwaite
Chairman of the Advisory Council

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GOVERNMENT OF THE BRITISH VIRGIN ISLANDS

CHIEF MINISTER

ROAD TOWN TORTOLA

Ref: D3/020

10th October, 1983

The Honourable William E. Brock
United States Trade Representative
Office of the United States Trade Representative
1800 G Street, N.W.
Washington, D.C. 20506

The Honourable George P. Shultz
Secretary of State
Department of State
Washington, D.C. 20520

Dear Mr. Ambassador
Dear Mr. Secretary

Caribbean Basin Recovery Act

The Government of the British Virgin Islands is pleased to learn of the passage of the Caribbean Basin Economic Recovery Act, and wishes for the Territory to be designated as a beneficiary under the Act. This letter describes the criteria for designation laid down in the Act, as they apply to the British Virgin Islands.

Section (B) (2) - Expropriation

The British Virgin Islands has not appropriated or otherwise seized assets belonging to a United States citizen or corporation. The property of persons is protected in the British Virgin Islands both by the Common Law and by Statute Law. The Common Law Principle is based on the Bill of Rights of the United Kingdom which prevents a person's property from being taken without payment to him of proper compensation. In cases of dispute the court is the final arbiter. This principle was given legislative effect in the British Virgin Islands on the 28th February, 1957, in the Land Acquisition Act (Cap. 200 of the Revised Laws of the British Virgin Islands). The procedure under that Act is as follows:

/(a) where land...

(a) where land needed for any purpose by the Government, (and the purpose must be a public purpose) there is the normal negotiation as between two private individuals;

(b) if negotiations fail, the Legislature after debate, may pass a resolution authorising the acquisition of the land;

(c) the decision of the Legislature is published in two separate issues of the Official Gazette setting out details of the land; its ownership and the public purpose for which it is needed, amongst other things;

(d) the Government under the Act then makes an offer and the owner either accepts the offer or makes a counter offer;

(e) negotiations continue and if there is dead-lock a Board of Assessors is appointed comprising a High Court judge as Chairman and two other persons, one being appointed by either party, to fix the amount of compensation;

(f) if either party is aggrieved by the amount fixed by the Board of Assessors, he may appeal to the Court of Appeal for a review of the decision.

Section (8) (3) - Arbitral Awards:

The Rules of the Supreme Court contain the law that govern arbitration. The referee in a dispute, is a person agreed on by the parties and the Court is notified. The referee hears the dispute and fixes the award. His decision is then reported to the Court. If the parties accept the referee's award, the Court makes an order confirming it. If either party does not find the referee's award acceptable the Court may vary the report or adopt it. There is a right of appeal to the Court of Appeal.

Section (8) (4) - Reverse Trade Preferences:

The British Virgin Islands does not provide preferential treatment to the products of any developed country. Furthermore, it is the policy of the British Virgin Islands not to enter into any agreement which would require it to do so.

/Section (8) (5)...

Section (B) (5) - Government Entity Broadcasting of Copyrighted Material:

No entity owned by the Government of the British Virgin Islands is engaged in the rebroadcast of copyrighted material belonging to United States copyright holders without their express consent; moreover, it is our intent in the future not to do so.

Section (B) (6) - Co-operation on Narcotics Matters:

The laws of the British Virgin Islands are designed to prevent drug abuse. For this reason, the old laws on the subject were repealed and a fresh law was passed in the year 1977. It is entitled the Drugs (Prevention and Misuse) Ordinance and is being effectively enforced.

The Government of the British Virgin Islands fully shares the concern of the Government of the States on this serious problem. We have in the past co-operated fully with the United States in attempting to deal with this threat to the well being of the citizens of both countries. We expect to continue such co-operation in the future.

Section (B) (7) - Extradition:

The British Virgin Islands is a party to the US - UK Extradition Treaty of 1972 and fully enforces its provisions.

Section (C) (1) - Desire to be designated:

The British Virgin Islands wishes to be designated as a beneficiary under the Caribbean Basin Economic Recovery Act.

Section (C) - Trade:

The British Virgin Islands is a party to the General Agreement on Tariffs and Trade by virtue of the accession to the United Kingdom and abides by its provisions. In line with this commitment to the Agreement, the British Virgin Islands subscribes to the "most favoured nation" principle and to the principle of notification and consultation. In general one seeks to limit protective measures to tariffs. However, to protect certain infant industries the British Virgin Islands does have an import licensing scheme in effect for eggs, and concrete bricks.

/The British Virgin Islands...

The British Virgin Islands provides non-discriminatory access to its markets for all countries. Foreign investment is encouraged and sought. With a tourist based economy, trade in services is also relatively open.

The BVI provides no export subsidies and imposes no export performance requirements or local content requirements on foreign or domestically owned manufacturers. Certain levels of local value added are required in order for an exporter to qualify for certain tax incentives.

Section (C) (6) - Regional Revitalization:

The British Virgin Islands supports the aims and objectives of the Organization of Eastern Caribbean States and has applied for Associate Membership. The underlying principle for the establishment of the OECS is that of uniting the member countries' efforts and resources, and the revitalization of the region.

Section (C) (7) - Self-Help:

The BVI Government in an effort to promote a positive business environment has for the past 4 years been conducting a series of business and management seminars. These are aimed at improving the entrepreneurial skills of the commercial sectors.

The Caribbean Development Bank has given "in-principle" approval for a loan of $1.5 million dollars for the construction of light industrial factory shells on Wickhams Cay II. These will be let to small manufacturers. The Development Bank of the Virgin Islands, a Government entity, makes credit available for small projects in the fields of agriculture, fishing and tourism.

Section (C) (8) - Workers' Rights:

It is the worker's right to organize and bargain collectively in the BVI by both custom and statute.

Workers' Rights are safeguarded as follows:

(a) the right to organize is protected by the Trade Union Act (Cap. 258);

(b) the settlement of trade disputes is provided for by the Trade (Arbitration and Inquiry) Act (Cap. 257); thus allowing for a judicial determination of trade disputes;

/(c) the Workmen...

(c) the Workmen Compensation Ordinance, 1962, which replaced the former Workmen Compensation Act, is intended to ensure a safe system of work for workmen by making it statutory for employers to compensate adequately workmen who are injured in the course of their employment. Workers are also protected by Common Law.

Section (C) (9):

1. The Copyright Act of the British Virgin Islands is the same as that of the United Kingdom which was passed in 1956. The UK Act was extended to the BVI by an Order-in-Council of the UK Parliament. The Copyright Law of the BVI is therefore in keeping with the Berne Convention and the Universal Copyright Convention. Generally protection is for the life of the Author and 50 years after his death. All Convention Countries are protected in the BVI.

2. The Patents Law of the BVI is found in the Patents Act (Cap. 151 of the Revised Laws of the BVI).

3. Trademarks: The Trade Marks Act (Cap. 154 of the Revised Laws of the BVI) contains the existing trademark law of BVI.

4. Foreign patents and trademarks may be registered and are protected under the Laws of the BVI.

5. An injunction may be granted by the Courts pending determination of a case of alleged infringement of a patent or trademark. The penalties for infringement are damages or an injunction or both.

6. Hardly any patents were registered recently in the BVI but several trademarks, usually foreign marks, continue to be registered. Notice of each application for registration with a copy of the mark is published in the Official Gazette. Opposition to registration is invited. If there is opposition, the Registrar hears it and determines whether registration is possible. There is provision for an appeal to the High Court against the Registrar's decision.

/Section (C) (10):...

Section (C) (10):

There is no piracy of broadcast material in BVI. In any case the Copyright Act, 1956 of the UK Parliament which, as already stated, extends to the BVI, contains penalties both criminal and civil for infringement of Copyright. There are provisions in the said Act requiring licences to be obtained in order to avoid infringement of copyright material. The protected copyright material includes films and up to the moment there have not been any cases of piracy of films in the BVI but the anti-piracy provisions of the Act are enough to deal effectively with the problem should it arise.

Section (C) (11) - Co-operation in Administration:

The Territory of the British Virgin Islands is fully prepared to co-operate with all reasonable procedures aimed at maintaining the integrity of the Caribbean Basin Recovery Act trade provisions. This would include, but not be limited to, appropriate certification procedures, monitoring compliance and provision of information.

Please note that the BVI is interested in the aspects of the bill as related to trade and economic revitalization. There is no desire to participate in aspects which are related to the holding of conventions at this time.

Yours sincerely,

H. L. Stoutt.

H. L. Stoutt
Chief Minister

HLS/vp

cc: Ambassador M. Bish
US Embassy
Bridgetown
Barbados, W.I.

Text of Letter from The British Virgin Islands
Relating to CBI Designation

November 8, 1983

Dear Mr. Secretary and Mr. Ambassador:

My government understands that after reviewing my letter of October 10, 1983, the Government of the United States has a number of questions regarding the fulfillment of certain designation criterion of the Caribbean Basin Economic Recovery Act by The British Virgin Islands. We wish to make the following additions to our previous letter in the hope of clarifying those issues. The Government of The British Virgin Islands reaffirms that for these reasons along with those stated in our letter of October 10, they have satisfied criteria given in Section 212 (B) of the Caribbean Basin Economic Recovery Act.

Section 212 B (1) - Addition: "The British Virgin Islands is a parliamentary democracy."

Section 212 B (2) - Addition: "Intellectual property of any type including property protected by patents and trade marks, is accorded the same protection against expropriation as provided under the fundamental laws of the territory for other types of property. There are no disputes involving U.S. citizens and

the Government of The British Virgin Islands arising out of the nationalization of property."

Section 212 (3) - Addition: "There are no instances in which our government has failed to act in good faith in recognizing as binding or in enforcing such arbitral awards in favor of U.S. citizens or companies."

Section 212 C (10) - Addition: "The British Virgin Islands laws ensure that any broadcasting from The British Virgin Islands by British Virgin Islands nationals of copyrighted material will occur only as governed by the international conventions. The British Virgin Islands will cooperate with the Government of the United States in facilitating negotiations regarding the lawful use of copyrighted material."

We also request that the following paragraph be added to our letter:

"The Government of British Virgin Islands understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously-designated countries. The British Virgin Islands agrees to notify the United States in the event that changes in any of the policies or practices discussed

above might prove to be inconsistent with any of the designation criteria of the the U.S. law. The Government of The British Virgin Islands would be prepared to consult with the United States Government upon request concerning such changes.

Text of Letter from The British Virgin Islands
Relating to CBI Designation

December 13, 1983

Dear Mr. Secretary and Mr. Ambassador:

The Government of the British Virgin Islands submits the following amendments to its letter of October 10 requesting designation as a beneficiary under the Caribbean Basin Economic Recovery Act:

(A) Section 212 C (5) - Addition:

"The Government of the British Virgin Islands will keep under review its fiscal incentives related to export goods. The Government of The British Virgin Islands agrees to consult with the United States Government if it is believed that any trade promotion practices of the Government of The British Virgin Islands have a trade distorting effect. The Government of The British Virgin Islands will also avoid the use of any performance requirements that would adversely affect trade with the U.S.."

(B) Section 212 C (10) - Addition:

"Upon request of a concerned party, the Government of The British Virgin Islands will prevent the broadcasting (including

cable transmission) of material belonging to U.S. copyright holders without their express consent having been obtained. This will be accomplished by enforcement of the applicable law or by administrative means within the authority of the Government of The British Virgin Islands. If it proves to be necessary, additional authority or legislation will be sought."

OFFICIAL ENGLISH TRANSLATION

The Honorable George P. Schultz
Secretary of State
Department of State
Washington, D. C.

The Honorable William R. Brock
U.S. Trade Representative
The White House
Washington, D. C.

Dear Secretary Schultz and Ambassador Brock:

I am pleased to inform you that the Government of El Salvador has studied the provisions of the Caribbean Basin Economic Recovery Act, and being one of the countries named in the law as a possible beneficiary of said law, hereby expresses its desire to be designated as such. The Government of El Salvador presents below all the information concerning the ways in which the Government of El Salvador will satisfy the requirements stipulated in that law, to complement the declaration made by our Government on October 6 of this year that we desire to participate in said program. For the following reasons, the Government of El Salvador believes that it has satisfied the criteria of Section 212(B) of the Caribbean Basin Economic Recovery Act.

1) Form of Government
The Government of El Salvador is republican, democratic, and representative. Sovereignty resides in the people, and power is divided into the Executive power, Legislative power, and Judicial power, the designation of the President of the republic and the deputies that integrate the Legislative Assembly being freely and popularly elected. The Government is democratic and permits the free play of political parties.

2) A. In conformity with the political constitution, confiscation is prohibited, either by condemnation or by any other means, and expropriation takes place only in cases of public utility or social interest, and with prior compensation.

Nevertheless, given the urgency of confirming structural changes specifically related to land tenancy, a law was enacted which permitted expropriation without prior compensation, but which assures the former owner affected subsequent payment for his property.

The Government of El Salvador is aware of a number of pending cases which fall under the provisions of Section 212(b)(2) of the Act. Upon request of the claimant the Government of El Salvador will enter into negotiations on all of these cases, in order to arrive at an amicable settlement and payment of prompt, adequate and effective compensation consistent with the laws of El Salvador and with the requirements of international law. Such negotiations will be completed within six months of the date on which claimant requests that such negotiations be initiated unless the parties by mutual agreement extend the period for negotiation, failing which the Government of El Salvador is prepared to submit immediately to binding international arbitration any matter which cannot be resolved in negotiations. Such arbitral proceedings will be conducted pursuant to the rules of the Convention on the Resolution of Disputes Related to Investments Between States and Nationals of Other States which the Government of El Salvador has signed and ratified.

B. The Government of El Salvador has an international reputation of faithfully complying with the contracts, conventions and agreements in force with foreign companies or persons, and of respecting their right to an equal basis with citizens of this country. At the moment, there are no known corporate organizations or persons made up of United States citizens or which have property rights over 50 percent of an investment which have been affected by a Government measure which repudiates or annuls its agreements. The national law protects nationals as well as foreigners with regard to patents, trademarks, licenses, intellectual property, etc.

C. The country has taken no restrictive fiscal measures which have the effect of nationalizing, expropriating, or otherwise taking possession or control of property of United States citizens.

Nevertheless, should a controversy exist which affects North American citizens with regard to the application of the structural reforms, measures will be taken to ensure adequate and effective compensation, consistent with the legal disposition in force.

In this regard, the country has adhered to the Convention on the Resolution of Disputes Related to Investments Between States and Nationals of Other States, an instrument to which one could have recourse should a controversy present itself.

3) El Salvador gives full validity to arbitration decisions issued in foreign countries whenever the appropriate legal procedure has been followed. Further, there are no instances in which the Government of El Salvador has failed to act in good faith in recognizing as binding, or in enforcing, arbitral awards in favor of U.S. citizens or corporations.

4) El Salvador does not give preferential treatment to products originating in developed countries.

5) Enterprises owned by the Government of El Salvador comply with the legal regulations related to copyrights. Moreover, no entity owned by the Government of El Salvador engages or will engage in the rebroadcasting of materials belonging to U.S. copyright holders without their express consent.

6) The country takes measures related to preventing traffic in drugs and narcotics as signatory to international conventions, and takes measures to prevent the illegal entry of such products into the United States.

7) El Salvador is party to a treaty on the extradition of United States citizens, in force since July 10, 1911.

For the following reasons the Government of El Salvador believes it has satisfied the criteria of Section 212(C) of the Caribbean Basin Economic Recovery Act and by this means asks to be designated as a beneficiary of that Law.

In addition to the information presented on the means of satisfying the requirements stipulated in the Caribbean Basin Economic Recovery Act, the following paragraphs outline information on the economy of the country and relate to the commercial policy which will be adopted for taking advantage of the benefits of the law.

I. Economic Conditions of the Country

The country's economy is experiencing profound difficulties as a result of a complex combination of factors, most notably: (i) a marked loss in the terms of trade of those goods on which its foreign trade is based; (ii) drop in demand by the rest of the countries of the Central American Common Market (CACM); and (iii) external aggression, in the form of guerrilla war, sponsored, directed, supported and financed by international communism through its bases in Cuba and Nicaragua.

The decline in the principal indicators of development gathered strength at the beginning of 1979, after almost two decades of uninterrupted growth in which fixed capital formation reached levels approximating 20 percent of real GDP in the period 1970-1978. Between 1979 and 1982, real GDP fell about 22 percent, and in 1982, the ratio of Gross Domestic Investment and GDP was less than two-thirds of that registered in 1979.

During the last four years, imports were reduced by about 15 percent, dropping from $1,040.8 million in 1979 to $883 million in 1982. During the same period, exports, for their part, fell by a proportionately greater amount, from $1,132.3 million to $704.1 million. These effects, when added to the massive capital flight and the drastic reduction of private capital flows from external sources, promoted a sharp drop in the levels of international reserves, placing them at negative values from 1980 forward.

The growing foreign payments difficulties brought the Government to request from the IMF a contingency loan which was granted in 1982 for an amount of approximately $85 million. It is possible that at the beginning of 1984, a new application will be presented with the goal of strengthening the reserves and helping to cover the obligations.

Until 1977, the total deficit of the public sector was small in magnitude in relation to GDP. Nevertheless, since 1978 that deficit has increased along with interest rates, which also has increased the levels of internal and external debt. The financing of the public sector deficits became an important cause of the growth of levels of inflation.

In 1980, the Government put into effect an agrarian reform and took control of the marketing of the most important export products: coffee and sugar. Simultaneously in that year, commercial banking was nationalized, as a step towards transforming it into a mixed banking system.

The options for the Government are certainly difficult and to an important degree depend upon the recovery of an environment of political and social stability. Nevertheless, international financing would contribute an important stimulus for the entire economy.

II. The country does not maintain discriminatory clauses which prohibit the entry of products originating in a specific country, and guarantees the United States equitable and reasonable access to the markets and products of our country.

El Salvador maintains an open trading regime which is non-discriminatory. Preferences to other CACM members do not unduly restrict trade with the United States or third countries. The Government of the Republic of El Salvador will notify the U.S. Government on a reciprocal basis with regard to the introduction, intensification, extension, and modification of any trade measures taken in response to balance-of-payments problems or to protect infant industries. Wherever practicable, the Government will inform the United States Government of a time schedule for the removal of such measures.

III. El Salvador follows the accepted rules of international trade. Given the compatibility between the internal legislation of El Salvador and the norms of the GATT, the Government of El Salvador intends to seek entry to the GATT. This action will be taken with consideration of El Salvador's commitments to the Central American Common Market, which are accepted by Article XXIV of the GATT as an exception to the application of the most favored nation clause.

IV. Where fiscal incentives related to exports are granted, the Government of El Salvador will review its trade promotion policies or practices with the objective of ensuring that these do not distort international trade. The Government of El Salvador agrees to consult with the United States Government if the United States Government believes that any trade practices of the Government of El Salvador have a trade distorting effect. In the interim, the GOES agrees not to expand the overall level of subsidies. El Salvador and the United States will not impose performance requirements which would distort their trade with one another.

V. In analyzing the commercial norms existing in our country in relation to the beneficiary countries, the existence of the Central American Common Market, within which the greatest volume of trade takes place within a regime of free trade, should be taken into account in the first instance.

With regard to the beneficiary countries of the Caribbean under the program, the commercial norms used are those normally existing for third countries. Nevertheless such norms will exist and broad negotiations will be undertaken to unite these countries commercially with the Central American region, and both schemes will lead to the revitalization of the region.

VI. Among the dispositions which the Government of El Salvador has adopted to promote its economic development and restore normal levels of economic activity, a Program of National Economic Reactivation has been formulated, within the framework of which organs of consultation with the private sector have been created such as the National Economic Reactivation Committee (CREN) and the National Mixed Commission for the Implementation of the Economic Basin Recovery Act.

The most recent letter of intent between El Salvador and the International Monetary Fund was valid until July 16, 1983, a period during which our country fully complied with the recommendations, restrictions, and measures recommended by that organization.

In addition to the measures that are mentioned in the documents "Socio-Economic and Financial Aspects of the Salvadoran Economy," the following are presently under study:

A) Implementation of the export credit insurance program.

B) Adjustments in the credit lines for exports.

C) Administrative coordination of the public sector for the resolution of problems related to foreign trade.

D) Simplification of the administrative procedures with regard to exports and investments.

E) Adjustment of the entry procedures for merchandise for the drawback industries.

F) Negotiation of a "Treaty Between the United States of America and El Salvador Regarding the Promotion and Reciprocal Protection of Investments."

The Annex presents a review of the recent evolution of relations between the International Monetary Fund and El Salvador.

VII. Our political constitution and labor laws in force establish and regulate the conditions in shops, factories and workplaces, and provide also that the state will oversee the faithful compliance with the legal norms for labor, fringe benefits, safety and social security.

The Government will take special measures to assure that its security forces provide more effective protection against illegal attacks or detention of trade unionists or employer organizations. In El Salvador, all workers, except government employees, have the right to form labor unions and associate freely. In the new Constitution, the right of farm laborers to freely associate in labor unions will be more clearly established.

All workers in El Salvador have the right to form and join free trade unions.

Unions have the right to form and join labor federations. Labor federations and confederations have the right to affiliate with international free trade union organizations. This includes receiving financial and technical assistance from national and international trade union centers. The Government assures that these rights are protected.

Unions have the right to negotiate collective bargaining agreements with their employers. Because of the emergency situation, there are some special decrees that temporarily limit the right of collective bargaining. Employers who refuse to bargain with unions or who engage in harassment or intimidation of trade unions are subject to certain sanctions. The Government will propose to the Commission on Revision of the Labor Code that sanctions adequate to act as a deterrent to these activities be included.

El Salvador's labor legislation applies equally to the regime governing free zone. This includes minimum wage, health and safety conditions, and the right to form unions and negotiate contracts. Although the general public is not admitted into the zone for security reasons, the Government will establish a procedure to permit union organizers to enter the zone, on a prearranged basis, for meetings with workers about trade unions.

The Government will take suitable measures to assure that the necessary organization exists within the security forces to investigate illegal acts of violence and seek evidence to present to a court of justice, as attacks and assassinations perpetrated against labor leaders are a major deterent to the right to organize and the freedom of association.

VIII. Intellectual and artistic property is recognized in our political constitution, for the time and in the form that the laws secondary determine; foreign nationals enjoy the protection of the Salvadoran law whenever they have complied with the formalities that the laws specific to the matter prescribe.

The Government of El Salvador agrees to improve and make more effective the means for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property, including patents, trademarks and copyrights.

IX. The legal framework existing in El Salvador protects the rights of authorship and industrial property, of nationals and foreigners; accordingly any transmission, use or cession of the rights previously mentioned will be made with the express consent of their owners. This obligates the Government of El Salvador to ensure (for example, through a license) that no United States program with copyrights is retransmitted without the express consent of the copyright owner or his representatives.

Additionally, the El Salvadoran Government will remain alert that any broadcasting, including use of cable systems, by Salvadorans of U.S. copyrighted materials will occur only with the express consent of the copyright owners. The Salvadoran Government will cooperate in arranging negotiations among the appropriate parties in order to reach expeditiously agreements providing such consent.

X. El Salvador is prepared to cooperate with the U.S. in the administration of the provisions of the U.S. Caribbean Basin Economic Recovery Act.

The Government of the Republic of El Salvador understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. El Salvador agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the U.S. law. The Government of El Salvador would be prepared to consult with the USG upon request concerning such changes.

Federico Alberto Schonenberg
Minister of Foreign Commerce
Coordinator of the Interministerial
Committee for the Implementation
of the Caribbean Basin Economic
Recovery Act

Ministry of Foreign Affairs
Independence Hill
Belmopan
Belize, Central America

11th November, 1983

Mr. George Shultz
Secretary of State
Department of State
2201 C Street N.W.
Washington D.C. 20520
U.S.A.

Dear Mr. Secretary,

Re; Caribbean Basin Initiative

I write on behalf of the Government and People of Belize, seeking your President's designation of Belize as a Beneficiary under the Caribbean Basin Economic Recovery Act. Our desire is to be part of the Economic Revitalization satisfied that this Initiative will "facilitate expansion of Economic Opportunities in the Caribbean Basin Region".

Belize's Constitution at Article I(1) declares that Belize is a Sovereign Democratic State in the Caribbean region with the Constitution being the supreme law. The preamble proclaims that the will of the people shall form the basis of government in a democratic society in which the government is freely elected by universal adult suffrage and in which all persons may, to the extent of their capacity play some part in the institutions of national life and thus develop and maintain due respect for lawfully constituted authority. Among the fundamental rights and freedoms of the individual enshrined in the Constitution are found:-

(1) The right to personal liberty;
(2) Protection of Law - i.e. equality before the law and equal protection of the law to all;
(3) Protection from slavery and forced labour
(4) Protection of the right to work.
(5) Protection from discrimination on the ground of race, colour etc.

During the past year Belize shared with the rest of the world a difficult time.

There was a slowing down of economic activities but there has been a slight improvement and indications are this trend will continue. Belize still experienced deficit in its balance of payments for its exports and imports. However the deficit is narrowing.

High interest rates made difficult, if not impossible, the financing of economic projects and the servicing of external debts. There has been a slight decrease in the rates yet they are considered high. This has led to unemployment and to a situation made worse by the reduction of transfers of resources in economic cooperation programmes.

Prices of export commodities are low. There was a slight decline in fuel prices. Prices for other imports remained high, thus resulting in a trade imbalance.

Belize's growth continued at a slow rate. Real gross domestic product grew by 2.6% in 1981. In 1982 there was little or no growth. Such was the effect of world conditions on the economy of Belize.

In working the mixed economy, which is enshrined in the Manifesto for the New and Progressive Revolution for the New Belize government provides investment climate and economic and social infrastructure and encourages the private sector to do what it is best able to do.

In this context, the work of Government is directed to stabilize the economy to stimulate growth, to redistribute income by taxation, to increase income levels and jobs, to rescue where possible ailing industries, to supply some basic commodities at subsidized prices and to regulate vital activities.

The 1983/84 budget is designed to reduce, where possible government expenditure, to further control inflation, to encourage investment, to increase production and to provide the climate for self-sustained growth.

For the following reasons, the Government of Belize believes that it has satisfied the criteria of Sections 212(B) and 212 (C) of the Caribbean Basin Economic Recovery Act, and I am pleased to assure you that Belize:-

(1) adheres to GATT on a de facto basis and that we are now a member.

(2) protects the rights and freedoms of workers as enshrined in our Constitution, our Labour Laws and practices. The Ministry of Labour is presently examining legislation to give legal status the accepted practice in Belize to determine union representation. The present position is for both union and employer to request a poll which is conducted by the Ministry of Labour and the result accepted by both parties. Belize adheres in principle to the ILO Conventions and has so informed the Secretary General of the United Nations. We are now in the process of acceding to the relevant Conventions. The National Assembly has ratified twenty seven conventions. The Labour Advisory Board, a tripartite committee, is presently studying the conventions passed at the last two sessions of the International Labour Organization;

(3) stipulates no local content requirements, except for CARICOM purposes,and Belize does not use export subsidies or impose Export Performance Requirements to distort International Trade;

(4) is committed to Regional Development and Revitalization and supports regional trade liberalization as a member of CARICOM;

(5) is actively engaged, through its Investment Task Force, in the identification, evaluation and encouragement of Developmental Ventures by Foreign and Local Investors in an effort to promote economic development. The recently completed Investment Code spells out the priority areas, the conditions and Incentives for Investment in Belize. The establishment of the office of Budget and Management will give effective control over expenditure. Continuous budgeting will be undertaken.

(6) is provisionally a party to the Berne Convention on Copyrights Rights and Rights in Intellectual Property. We have on our Statute Books, laws governing Patents and Designs, Copyright and Trademark. These are based on United Kingdom Statutes which prevail throughout the English speaking Caribbean. Like those other Caribbean countries, we are cooperating with World Intellectual Property Organization and UNESCO to update our laws on Copyright Rights and Rights in Intellectual Property. Annual fees are paid to the Performing Rights Society by the Government owned Broadcasting Station, the only Radio Broadcasting Service in the country. The constitution of Belize provides for the protection from deprivation of property including intellectual property.

(7) has only recently passed into law in the National Assembly an Act titled "Broadcasting and Television Act" which provides for the proper administration management and Regulation of Broadcasting and Television. The Act empowers the Minister acting in consultation with the Belize Broadcasting Authority to make regulations which, among other things, may stipulate the terms and conditions upon which a licence may be granted. The terms and conditions of a licence would reflect Government's policy of prohibiting licensees from engaging in the broadcasting of Copyrighted material, without the express consent of the Copyright owners;

(8) has enshrined in our Constitution the protection from deprivation of property as a fundamental right. The laws of Belize provide for adequate and prompt compensation to be paid for lands compulsorily acquired for Public Purposes. The law provides for a Board of Assessment to determine the quantum of compensation, where the land owner and Government fail to agree on the market value of the land in question. All cases involving expropriation of property owned by U.S. Citizens are handled in the manner described above, and there are no cases involving U.S. citizens in which Government

of Belize has refused to negotiate a settlement or to submit the question of compensation to an arbitration panel at the request of the private property owner. The Board of Assessment is comprised of the Chief Justice or Puisne Judge as Chairman and two other members each approved by members party to the dispute.

(9) has since 1967, on its Statute Books, the ARBITRATION (INTERNATIONAL INVESTMENT DISPUTES) Act 1966 of the United Kingdom, which affords the Machinery for Arbitration in case of disputes. The awards are binding upon Belize. There have been no instances in which the Government of Belize has failed to act in good faith in recognizing as binding or in enforcing arbitral awards on behalf of U.S. nationals.

(10) is a party to the CARICOM preferential trade arrangement which is the only such arrangement to which Belize adheres. Preferential tariffs are not granted to any developed country.

(11) does not and will not engage in the broadcast of Copyrighted material on Radio Belize, the only Government owned Broadcasting service without the consent of the Copyright owner. That Radio service pays copyrights fees to the Performing Rights Society;

(12) is a party to a joint programme with the United States of America and Mexico, aimed at the prevention of Narcotic Drugs being produced, processed or transported in our Territory from entering the United States unlawfully;

(13) is a party to an Extradition Treaty with the United States of America;

(14) is prepared to have its Tax Authorities meet with, and discuss the possibilities of the exchange of tax information with the United States Internal Revenue Service personnel

in the best interest of both countries;

(15) ensures through its trade policies that U.S. exports are treated reasonably and equitably and the United States will be provided equitable and reasonable access to basic commodity resources.

(16) has under review on a continuing basis its fiscal incentives related to exports, with the objective of avoiding distortions in its international trade. The Government of Belize agrees to consult with the United States if the United States believes that any trade promotion practices of the Government of Belize have a trade - distorting effect. The Government of Belize will also avoid the use of any performance requirements which would distort trade with the United States.

The Government of Belize understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously-designated countries. The Government of Belize agrees to notify the United States in the event of changes in any of the policies, practices, laws or regulations discussed above which might be inconsistent with any of the designation criteria of the U.S. law. The Government of Belize would be prepared to consult with the United States Government upon request concerning such changes.

In putting forward this request for designation, Belize is prepared to cooperate to the fullest possible extent with the United States of America in the administration of the provisions of the Caribbean Basin Economic Recovery Act.

MINISTRY OF FOREIGN AFFAIRS
BELMOPAN, BELIZE, C.A.

Sincerely,

C.L.B. ROGERS
Acting Prime Minister and
Minister of Foreign Affairs

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Department of State

TELEGRAM

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E.O. 12356: DECL: OADR
TAGS: CBI, HA
SUBJ: GOH LETTER REQUESTING CBI DESIGNATION

1. CONFIDENTIAL - ENTIRE TEXT)

2. THE EMBASSY RECEIVED THE LETTER FROM THE GOH REQUESTING CBI DESIGNATION FOR HAITI ON DECEMBER 7. (THE ORIGINAL TEXT IS FAXED IS being POUCHED TO WASHINGTON.) [illegible] FOLLOWING IS THE ENGLISH TEXT OF THE LETTER.

3. BEGIN TEXT:

THE HONORABLE WILLIAM E. BROCK
U.S. TRADE REPRESENTATIVE
600 17TH STREET, N.W.
WASHINGTON, D.C. 20506

MY DEAR MR. AMBASSADOR:

IN REFERENCE TO THE LEGISLATION ON THE CARIBBEAN BASIN INITIATIVE (CARIBBEAN BASIN RECOVERY ACT), I RESPECTFULLY SUBMIT, ON BEHALF OF THE GOVERNMENT OF HAITI, THAT THE REPUBLIC OF HAITI BE DESIGNATED A BENEFICIARY COUNTRY OF THIS PROGRAM.

THE GOVERNMENT OF THE REPUBLIC OF HAITI HAS CONSIDERED THE ELIGIBILITY CRITERIA SET FORTH IN SECTION 212 OF THE CBI LAW. THESE CRITERIA WERE DISCUSSED WITH MEMBERS OF THE U.S. DELEGATION AT THE TIME OF THEIR VISIT TO HAITI LAST AUGUST 25-25-27. THE HAITIAN AUTHORITIES ARE CONFIDENT THAT THESE CRITERIA MEET THE GLOBAL POLICY OF THE GOVERNMENT AS DEFINED IN THE FRAMEWORK OF A STRATEGY FOR ECONOMIC AND SOCIAL DEVELOPMENT OF THE COUNTRY.

FOR THE FOLLOWING REASONS, THE GOVERNMENT OF HAITI BELIEVES THAT HAITI FULFILLS THE CRITERIA OF SECTION 212(2) OF THE CARIBBEAN BASIN RECOVERY ACT:

A. THE REPUBLIC OF HAITI IS NOT A COMMUNIST COUNTRY.

B. THE GOVERNMENT OF THE REPUBLIC OF HAITI IS FIRMLY COMMITTED TO PROTECT AND GUARANTEE ALL INVESTMENTS AND OTHER PROPERTY OF U.S. CITIZENS. THIS COMMITMENT CONFORMS WITH THE DRAFT AGREEMENT ON ENCOURAGEMENT AND PROTECTION OF INVESTMENTS BETWEEN HAITI AND THE UNITED STATES

PAGE 2 OF 05 091345Z

SIGNED UPON BY BOTH PARTIES AT THE TIME OF NEGOTIATIONS HELD IN WASHINGTON SEPTEMBER 7-10, 1983. THE GOVERNMENT OF HAITI IS NOT INVOLVED IN ANY NATIONALIZATION OR PROPERTY DISPUTE WITH U.S. CITIZENS. UNDER THE CONSTITUTION OF THE REPUBLIC OF HAITI, THE HAITIAN GOVERNMENT IS FIRMLY COMMITTED TO PROTECT AND GUARANTEE ALL INVESTMENTS AND PROPERTY OF FOREIGN NATIONALS U.S. CITIZENS, INCLUDING INTELLECTUAL PROPERTY OF ANY TYPE AGAINST EXPROPRIATION WITHOUT DUE PROCESS OF LAW.

C. THE GOVERNMENT OF THE REPUBLIC OF HAITI RECOGNIZES THE ENFORCEABLE NATURE OF DECISIONS RENDERED BY COURTS OF ARBITRATION. THIS CONFORMS WITH THE "TREATY OF FRIENDSHIP TRADE AND CONSULTATION" SIGNED BETWEEN THE REPUBLIC OF HAITI AND THE UNITED STATES OF AMERICA ON MARCH 3, 1955. THERE ARE NO INSTANCES IN WHICH OUR GOVERNMENT HAS FAILED TO ACT IN GOOD FAITH IN RECOGNIZING AS BINDING OR IN ENFORCING ARBITRAL AWARDS IN FAVOR OF U.S. CITIZENS OR COMPANIES.

D. THE GOVERNMENT OF HAITI DOES NOT GRANT PREFERENTIAL TREATMENT TO ANY DEVELOPED COUNTRIES. WITH REGARD TO INTERNATIONAL TRADE, THE GOVERNMENT OF THE REPUBLIC OF HAITI, WHICH IS PART OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT), STRICTLY ADHERES TO THE ABOVE MENTIONED AGREEMENT.

E. PRIVATE AND PUBLIC RADIO BROADCASTING AND TELEVISION STATIONS HAVE BEEN FORMALLY INSTRUCTED BY THE GOVERNMENT OF HAITI TO COMPLY WITH THE RULES REGULATING THE ISSUE, AND PARTICULARLY TO OBTAIN BEFOREHAND FROM THE U.S. TELEVISION AND RADIO BROADCASTING STATIONS, THE AUTHORIZATION TO RE-BROADCAST [illegible]

F. THE GOVERNMENT OF THE REPUBLIC OF HAITI HAS CONCLUDED WITH THE GOVERNMENT OF THE UNITED STATES AN AGREEMENT FOR THE PREVENTION OF DRUG TRAFFICKING. UNDER THE TERMS OF THE AGREEMENT, THE HAITIAN NAVY REGULARLY PATROLS THE WINDWARD PASSAGE IN COOPERATION WITH THE U.S. COAST GUARD AND TAKES APPROPRIATE LAW ENFORCEMENT ACTION AGAINST VESSELS SUSPECTED OF ENGAGING IN NARCOTICS TRAFFIC. IN ADDITION TO THE AGREEMENT, THE GOVERNMENT OF HAITI WILL CONTINUE TO COOPERATE FULLY WITH U.S. LAW ENFORCEMENT AGENCIES ON ANTI-NARCOTICS MATTERS OF MUTUAL CONCERN.

1. ~~JS~~
2. JM
3. Return to JC

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7. THE GOVERNMENT OF THE REPUBLIC OF HAITI AND THE GOVERNMENT OF THE UNITED STATES SIGNED ON AUGUST 9, 1904 AN EXTRADITION TREATY RATIFIED ON JUNE 16, 1905 BY A DECREE FROM THE LEGISLATIVE CHAMBER. THIS TREATY BECAME EFFECTIVE ON JUNE 28, 1905.

THE DISCRETIONARY CRITERIA SET FORTH IN SECTION 212 (C) OF THE CBI LAW ALSO HAVE BEEN SUBJECT TO EXTENSIVE DISCUSSION WITH MEMBERS OF THE U.S. DELEGATION. FOR THE FOLLOWING REASONS THE GOVERNMENT OF HAITI BELIEVES IT HAS SATISFIED THESE CRITERIA:

1. THE REPUBLIC OF HAITI WISHES TO BE DESIGNATED A BENEFICIARY COUNTRY OF THIS PROGRAM.

2. DESPITE THE FACT THAT THE ANNUAL GROWTH RATE OF THE HAITIAN ECONOMY HAS WITNESSED A 5.0 PERCENT INCREASE FROM THE PERIOD BEGINNING 1975 TO 1981, IT REMAINS AN AGRICULTURE BASED ECONOMY.

THE ECONOMY'S GROWTH HAS BEEN HAMPERED BY A LACK OF INFRASTRUCTURE, SCARCE PHYSICAL RESOURCES, AND A DENSE POPULATION OF 6 MILLION PEOPLE. COFFEE IS THE MAJOR SOURCE OF INCOME FOR ABOUT 1.5 MILLION PEOPLE, PROVIDING ONE THIRD OF THE COUNTRY'S EXPORT INCOME. TOURISM AND A SMALL BUT GROWING ASSEMBLY INDUSTRY, IN WHICH RAW MATERIALS ARE MANUFACTURED FOR SALE MAINLY IN THE U.S., ARE A SECONDARY SOURCE OF REVENUE.

SIXTY PERCENT OF HAITI'S POPULATION IS UNEMPLOYED. ITS POPULATION OF 188 PEOPLE PER SQUARE KILOMETER MAKES HAITI ONE OF THE MOST DENSE COUNTRIES IN THE WORLD. ADULT LITERACY IN HAITI IS 20 PERCENT. PRIMARY SCHOOL ENROLLMENT IS AROUND 50 PERCENT. THERE ARE 7,200 PEOPLE PER PHYSICIAN AND 1,095 PEOPLE PER HOSPITAL BED.

THE GOVERNMENT OF HAITI SIGNED A STAND-BY AGREEMENT WITH THE INTERNATIONAL MONETARY FUND (IMF) ON NOVEMBER 7, 1983 AUTHORIZING SPECIAL DRAWING RIGHTS OF UP TO 160 MILLION OVER THE NEXT TWO YEARS. LAST YEAR HAITI ENTERED INTO A STAND-BY AGREEMENT WHICH TERMINATED IN SEPTEMBER 1982. AT THIS TIME WHEN THE IMF HAS REJECTED APPEALS FROM COUNTRIES UNABLE TO DEMONSTRATE FISCALLY SOUND POLICIES, HAITI HAS MADE MAJOR ECONOMIC PROGRESS INCLUDING A SUBSTANTIAL REDUCTION IN THE PUBLIC SECTOR DEFICIT CONTRIBUTING TO A DECREASE IN THE BALANCE OF PAYMENTS DEFICIT, ABATEMENT OF INFLATION, AND AN INCREASE IN ECONOMIC DEVELOPMENT PROJECTS.

A 3 PERCENT GROWTH RATE IS PROJECTED FOR NEXT YEAR. THE HAITIAN ECONOMY ALSO IS BUILDING ITS FOREIGN CURRENCY RESERVE TO LEVELS APPROVED BY THE IMF.

3. THE GOVERNMENT OF HAITI ASSURES THE UNITED STATES THAT IT PROVIDES AND WILL CONTINUE TO PROVIDE EQUITABLE AND REASONABLE ACCESS TO THE MARKETS AND BASIC COMMODITY RESOURCES OF HAITI. HAITI MAINTAINS AN OPEN, NONDISCRIMINATORY TRADE POLICY WHICH DOES NOT UNDULY RESTRICT TRADE WITH THE UNITED STATES. THE GOVERNMENT OF HAITI WILL NOTIFY THE UNITED STATES GOVERNMENT ON A RECIPROCAL BASIS WITH REGARD TO THE INTRODUCTION, INTENSIFICATION, EXTENSION, AND MODIFICATION OF ANY TRADE MEASURE TAKEN IN RESPONSE TO BALANCE-OF-PAYMENTS PROBLEMS OR TO PROTECT INFANT INDUSTRIES. WHEREVER PRACTICAL, THE GOVERNMENT OF HAITI WILL INFORM THE UNITED STATES GOVERNMENT OF A TIME SCHEDULE FOR THE REMOVAL OF SUCH MEASURES.

4. WITH REGARD TO INTERNATIONAL TRADE, THE GOVERNMENT OF THE REPUBLIC OF HAITI, WHICH IS PART OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT), STRICTLY ADHERES TO THE ABOVE MENTIONED AGREEMENT.

5. WHERE FISCAL INCENTIVES ARE GRANTED, THE HAITIAN GOVERNMENT WILL, IN COOPERATION WITH THE UNITED STATES GOVERNMENT, REVIEW ITS TRADE PROMOTION POLICIES AND PRACTICES WITH THE OBJECTIVE OF ENSURING THAT THESE DO NOT DISTORT INTERNATIONAL TRADE. THE GOVERNMENT OF HAITI AGREES TO CONSULT WITH THE UNITED STATES GOVERNMENT IF THE UNITED STATES GOVERNMENT DETERMINES THAT ANY TRADE PRACTICES OF THE GOVERNMENT OF HAITI HAVE A TRADE DISTORTING IMPACT. IN THE INTERIM, THE GOVERNMENT OF HAITI WILL NOT EXPAND THE OVERALL LEVEL OF ITS EXPORT SUBSIDIES. HAITI DOES NOT AND WILL NOT IMPOSE PERFORMANCE REQUIREMENTS WHICH WOULD DISTORT ITS TRADE WITH THE UNITED STATES.

6. THE GOVERNMENT OF HAITI WILL CONTINUE TO PROMOTE THE OBJECTIVES OF THE CARIBBEAN BASIN INITIATIVE BY PURSUING TRADE POLICIES WITH RESPECT TO OTHER CARIBBEAN BASIN INITIATIVE BENEFICIARY COUNTRIES WHICH WILL ASSIST IN A REVITALIZATION OF COMMERCE IN THE REGION.

7. THE GOVERNMENT OF HAITI HAS MADE GREAT EFFORTS TO ACHIEVE THE FIVE-YEAR PLAN. SPECIAL EMPHASIS HAS BEEN PLACED ON AN INDUSTRIAL STRATEGY, INFRASTRUCTURE DEVELOPMENT AND ECONOMIC POLICY MEASURES. DURING THE THIRD PERIOD OF THE PLAN, PRIORITY IS BEING GIVEN TO CORRECTING THE FOOD AND NUTRITIONAL PROBLEMS OF HAITI BY INCREASING THE PRODUCTION OF FOOD STUFFS WHICH WILL HELP TO ELIMINATE MALNUTRITION.

8. THE CONSTITUTION OF HAITI (ARTICLES 38 AND 43) GRANTS WORKERS THE RIGHT TO ORGANIZE INTO TRADE UNIONS. ARTICLE 227 OF THE FRANCOIS DUVALIER LABOR CODE, AS AMENDED, STATES THAT "ALL THE WORKERS OR EMPLOYERS IN A GIVEN OCCUPATION...MAY COMBINE FREELY FOR THE DEFENCE OF THEIR COMMON INTERESTS WITHOUT PRIOR AUTHORIZATION, PROVIDED THAT THEY COMPLY WITH THE STATUTORY FORMALITIES LAID DOWN IN THIS LAW WITHIN THE PRESCRIBED TIME LIMIT." HAITI HAS ALSO RATIFIED THE FREEDOM OF ASSOCIATION CONVENTION (NO. 87) OF THE ILO.

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C O R R E C T E D C O P Y (PARAGRAPH LOW PER PORT AU PRINCE 6116)

ARA/CAR PLEASE PASS AMBASSADOR KENNAWAY

THE MOST IMPORTANT FORMALITY IS ARTICLE 332 OF THE LABOR CODE WHICH STIPULATES THAT: "IN ORDER FOR LABOR UNIONS TO BE LAWFULLY CONSTITUTED THEY MUST BE REGISTERED WITH THE DIRECTOR GENERAL OF LABOR WITHIN 60 WORKING DAYS FROM ITS TIME OF ORGANIZATION. THE REGISTRATION MUST BE DONE ON PLAIN PAPER AND MUST BE ACCOMPANIED BY A COPY OF ITS RULES OF ORGANIZATION, ITS CONSTITUTION, AND A LIST OF THE MEMBERS OF THE BOARD OF MANAGEMENT."

THE GOVERNMENT OF HAITI, HAVING RECOGNIZED THAT IT IS APPROPRIATE TO REINFORCE LABOR ACTIVITIES, HAS:

-- AMENDED ARTICLE 256 OF THE PREVIOUS LABOR CODE TO CHANGE FROM 15 TO 10 THE MINIMUM NUMBER OF MEMBERS NEEDED TO START A TRADE UNION.

-- AMENDED ARTICLE 275(5) OF THE FORMER LABOR CODE BY DELETING THE REQUIREMENT OF A SIX-MONTH JOB ATTACHMENT FOR WORKERS TO BE ELECTED UNION OFFICIALS.

-- AMENDED ARTICLE 278 (1), BY DELETING SECTION (5). (REF ARTICLE 241 OF THE LABOR CODE)

-- AMENDED ARTICLE 279, BY DELETING SECTION (8). (REF ARTICLE 241 OF THE LABOR CODE)

THE PENAL CODE, WHICH DATES FROM 1935, IS NOT COMPATIBLE TO THE LABOR CODE WHICH WAS ENACTED IN 1961. THE FINAL PROVISIONS OF THE LABOR CODE (ARTICLE 330 REPEAL ALL LAWS AND DECREES WHICH CONTRADICT IT. THEREFORE, SECTIONS 236 AND 237 OF THE PENAL CODE IN NO WAY DEAL WITH LABOR UNIONS OR FEDERATIONS, BUT RATHER ASSOCIATIONS DEALING WITH CULTURAL, SOCIAL, ATHLETIC, POLITICAL, AND OTHER MATTERS.

IT CAN BE NOTED THAT NO LABOR UNION HAS ASKED FOR REGISTRATION BY THE MINISTRY OF THE INTERIOR UNDER SECTION 236 OF THE PENAL CODE. NEVERTHELESS, AN ANNOUNCEMENT WILL BE MADE IN THE OFFICIAL GAZETTE STATING THAT THE REGISTRATION REQUIREMENTS OF THE PENAL CODE DO NOT APPLY TO TRADE UNION ORGANIZATIONS.

THE COMMITTEE OF STANDARDS OF ILO AND THE COMMISSION OF INQUIRY HAVE CITED ARTICLE 230 OF THE PENAL CODE AS BEING IN VIOLATION OF THE CONDITIONS RELATED TO FORCED LABOR IN THE ARTICLES OF THE CONVENTION. IN A DECREE PUBLISHED

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ON THE "MONITEUR" NO. 220 OF NOVEMBER 7, 1983, THIS ARTICLE WAS MODIFIED.

FORMERLY, ARTICLE 400 OF THE ORGANIC LAW OF SOCIAL AFFAIRS, AUTHORIZED THE OFFICE OF SOCIAL ORGANIZATIONS TO MAKE INQUIRIES ABOUT THE GENERAL ACTIVITIES OF LABOR UNIONS. THIS ARTICLE HAS BEEN MODIFIED BY A DECREE ("MONITEUR" NO. 83) WHICH SPECIFIES THAT THE OFFICE WILL BE LIMITED TO INQUIRIES ABOUT LABOR VIOLATIONS.

(REF ARTICLE 242 OF THE LABOR CODE): THE ARTICLE AUTHORIZING THE OFFICE TO INTERVENE IN THE DRAFTING OF COLLECTIVE BARGAINING AGREEMENTS WILL ALSO BE MODIFIED TO SPECIFY INTERVENTION NEEDED TO IMPLEMENT OTHER PROVISIONS OF THE LABOR CODE.

AS FAR AS THE REGULATION ON COLLECTIVE BARGAINING IS CONCERNED, THE LABOR CODE STIPULATES IN ITS LAW NO. 5, A NUMBER OF FORMAL PROCEDURES INCLUDING A METHOD OF ARBITRATION AND CONCILIATION TO SOLVE CONFLICTS THROUGH CHANNELS OTHER THAN STRIKES. THE CONCERN OF LEGISLATORS AND PUBLIC AUTHORITIES IS TO AVOID PROLONGED WORK STOPPAGES THAT WOULD JEOPARDIZE A BUDDING INDUSTRY, SUBJECT IN MANY CASES TO THE HAZARDS OF FOREIGN MARKETS.

SECTION 184 OF THE LABOR CODE PERMITS STRIKES UNDER THREE CONDITIONS. FIRST, THE STRIKERS MUST REPRESENT AT LEAST ONE-QUARTER OF THE PERSONNEL AND NO LESS THAN FIVE PERSONS. SECOND, THE STRIKE MUST SEEK TO PROMOTE OR DEFEND THE COMMON ECONOMIC, OCCUPATIONAL, SOCIAL, AND MORAL INTERESTS OF THE WORKERS. THIRD, THE STRIKE MUST BE DECLARED ONLY AFTER THE FORMALITIES OF THE LABOR CODE HAVE BEEN CARRIED OUT. THESE FORMALITIES INCLUDE ATTEMPTS AT CONCILIATION AND ARBITRATION.

FOLLOWING ARBITRATION, STRIKES ARE PERMITTED UNTIL THERE IS A DECISION OF THE SUPERIOR ARBITRATION COUNCIL. WHEN ANY STRIKE OCCURS, HOWEVER, THE SUPERIOR ARBITRATION COUNCIL INTERVENES AUTOMATICALLY. THE DECISION OF THE COUNCIL IS FINAL AND A UNION DISAGREEING WITH A DECISION CANNOT LAWFULLY STRIKE.

THE GOVERNMENT HAS ALWAYS RECOGNIZED THE RIGHT TO STRIKE AS ONE OF THE ESSENTIAL MEANS OF PROTECTING THE ECONOMIC INTERESTS OF WORKERS. THEREFORE, THE GOVERNMENT WILL ASK THE ILO TO ASSIST IN A STUDY OF THE POSSIBILITY OF PERMITTING STRIKES FOLLOWING A DECISION BY THE COUNCIL OR, ALTERNATIVELY, OF HAVING COUNCIL DECISIONS BINDING ONLY FOR ESSENTIAL SERVICES.

THE HAITIAN LABOR UNION MOVEMENT WAS BORN AFTER THE REVOLUTION OF 1946 DURING WHICH WORKERS' FEDERATIONS WERE FORMED, INCLUDING THE FEDERATION TO WORKERS, STILL IN EXISTENCE IN THE NORTHEAST. THE LABOR CODE, ARTICLE 246 GUARANTEES THE RIGHT OF UNIONS TO FORM FEDERATIONS AND TO FORM CONFEDERATIONS. THESE FEDERATIONS AND CONFEDERATIONS WILL BE RULED BY THE PROVISIONS OF THE LABOR CODE IN SO FAR AS THEY ARE APPLICABLE. SINCE SOME UNION LEADERS MAY NOT KNOW THAT THEY HAVE THIS RIGHT, THE GOVERNMENT HAS INFORMED ALL TRADE UNIONS THAT FEDERATIONS ARE PERMITTED.

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C O R R E C T E D C O P Y (CORRECTED LOU PLR PORT AU PRINCE 6116)

ARA/CAR PLEASE PASS AMBASSADOR MCMANAMAY

HAITIAN LAW PERMITS TRADE UNIONS AND FEDERATIONS TO AFFILIATE WITH INTERNATIONAL TRADE UNION ORGANIZATIONS. THE GOVERNMENT HAS INFORMED TRADE UNION LEADERS OF THIS FACT AND HAS WRITTEN DIRECTLY TO INTERNATIONAL ORGANIZATIONS TO ADVISE THEM THAT THEY ARE WELCOME TO VISIT HAITI TO MEET WITH TRADE UNIONISTS, VIEW WORKING CONDITIONS, AND CONDUCT EDUCATIONAL PROGRAMS. (A SUMMARY OF THE LATTER WILL BE PUBLISHED IN THE "BULLETIN DES NOUVELLES" OF THE LABOR DEPARTMENT AND IN THE LOCAL MEDIA.) TRADE UNION LEADERS ARE FREE TO ATTEND MEETINGS OF SUCH INTERNATIONAL ORGANIZATIONS AND PARTICIPATE IN TRAINING PROGRAMS IN HAITI OR ABROAD.

THE GOVERNMENT MUST POINT OUT, HOWEVER, THAT THESE INTERNATIONAL ORGANIZATIONS MUST NOT VIOLATE HAITIAN LAW OR ADVOCATE CIVIL UNREST.

THE MINISTRY IS WORKING WITH LABOR UNIONS IN SEVERAL WAYS TO IMPROVE THE EDUCATION OF TRADE UNIONISTS. ONE OF THESE IS "THE VOICE OF LABOR," A RADIO-TV BROADCAST DESIGNED TO MOTIVATE THE WORKFORCE BY PROVIDING THEM WITH A BETTER KNOWLEDGE OF SOCIAL LEGISLATION. SOME OF THESE PROGRAMS IN THE FUTURE WILL DEAL WITH THE CHANGES IN THE LABOR CODE, THE RIGHT TO FORM UNIONS AND FEDERATIONS, AND THE PROCEDURES TO FOLLOW IN REPORTING VIOLATIONS OF LABOR LEGISLATION, SUCH AS THE MINIMUM WAGE. LABOR UNIONS ARE REPRESENTED ON THE SUPERIOR COUNCIL OF WAGES, THE SUPERIOR ARBITRATION COUNCIL, AND THE ADMINISTRATIVE COUNCILS DEALING WITH SOCIAL SECURITY.

THE MINIMUM WAGE IS SET PERIODICALLY BY THE TRIPARTITE SUPERIOR COUNCIL ON WAGES. WITHIN THE MINISTRY, THERE IS A LABOR INSPECTION SERVICE RESPONSIBLE FOR MONITORING LEGAL CONDITIONS RELATING TO SALARY. LEGAL INFRACTIONS ARE NOTED AND ARE PART OF THE PUBLIC RECORD. COMPLAINTS CONCERNING SALARIES MUST BE SUBMITTED TO THE COMPLAINT OFFICE WHICH ACTS AS A LEGAL ARBITRATOR (REF ARTICLE 153 OF THE LABOR CODE). WITH THESE GUARANTEES, LAWS CONCERNING MINIMUM WAGE ARE RESPECTED.

NEVERTHELESS, BECAUSE OF HIGH UNEMPLOYMENT, THERE ARE ISOLATED CASES WHERE THERE ARE ATTEMPTS TO CIRCUMVENT THE MINIMUM WAGE LAW. EVERY INFRACTION IS REPORTED BY LABOR INSPECTORS AND PENALIZED. (SEE ARTICLE 132) WORKERS WHO REPORT VIOLATIONS WILL BE PROTECTED FROM PUNISHMENT BY EMPLOYERS.

WAGES ARE SUBJECT TO CERTAIN DEDUCTIONS FOR THE PURPOSES OF MEETING THE FISCAL OBLIGATIONS OF THE GENERAL WELFARE (IBM, OFATMA) AS PROVIDED BY LAW. NO OTHER DEDUCTIONS IN WORKER PAY ARE MADE.

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THE AGRICULTURAL WORKERS CUTTING CANE IN THE DOMINICAN REPUBLIC RECEIVE, IN ADDITION TO THEIR TRAVEL DOCUMENTS, A COPY OF THEIR INDIVIDUAL LABOR CONTRACT. BEFORE EACH GROUP LEAVES, THE MINISTRY HOLDS A MEETING AT THE PLACE OF EMBARKATION TO EDUCATE WORKERS ON THEIR RIGHTS AND OBLIGATIONS AS OUTLINED IN THEIR WORK CONTRACTS. THE MINISTRY EXPLAINS TO WORKERS HOW PROTESTS CAN BE RECORDED WHENEVER A WORKER FEELS THAT THE CONTRACT HAS BEEN VIOLATED. IN AN OVERWHELMING MAJORITY OF THE CASES, THE SAME AGRICULTURAL WORKERS ARE RECRUITED YEARLY. THEREFORE, THESE WORKERS ARE AWARE OF THE WORKING CONDITIONS INVOLVED. THE HAITIAN EMBASSY IN THE DOMINICAN REPUBLIC HAS BEEN DIRECTED TO COOPERATE WITH THE GODR IN ORDER TO (A) INSURE THAT UNDER NO CONDITION WILL THE WORKERS BE DEPRIVED OF THEIR LABOR CONTRACT OR TRAVEL DOCUMENTS, (B) PROMOTE BETTER WORKING CONDITIONS OF GUEST WORKERS, (C) TO IMPROVE THE QUALITY OF THE SERVICES PERFORMED BY HAITIAN INSPECTORS, (D) TO ENSURE THAT WORKERS RECEIVE A PORTION OF LAND FOR BASIC FOOD CULTIVATION, THAT THE PLANTATIONS PAY THE GUARANTEED MINIMUM WAGE FOR EIGHT HOURS WORK, AND THAT WORKERS IN EACH BATEY BE ABLE TO ELECT A DELEGATE TO SUPERVISE WORKING CONDITIONS AND PROVIDE GREATER PROTECTIONS FOR THESE WORKERS.

THE GOVERNMENT OF HAITI INVITES THE US GOVERNMENT TO CONTINUE MEETING WITH HAITIAN WORKERS IN ORDER TO OBSERVE THE PROGRESS THAT OUR FREE TRADE UNION MOVEMENT WILL BE MAKING.

THE GOVERNMENT OF HAITI PLANS TO WRITE THE ILO TO ASK FOR TECHNICAL ASSISTANCE FOR CARRYING OUT A PROFESSIONAL TRAINING PROGRAM FOR HAITIAN INSPECTORS.

9. THE GOVERNMENT OF HAITI IS A SIGNATORY OF THE GENEVA CONVENTION ON PATENTS, TRADEMARKS AND LICENSING. THIS AGREEMENT WAS MADE IN JULY 1956. IN ADDITION, THE GOVERNMENT OF HAITI PROVIDES, AND WILL CONTINUE TO PROVIDE ADEQUATE AND EFFECTIVE MEANS FOR FOREIGN NATIONALS (INCLUDING U.S. CITIZENS) TO SECURE, EXERCISE, AND ENFORCE EXCLUSIVE RIGHTS IN INTELLECTUAL PROPERTY, INCLUDING PATENT, TRADEMARK, AND COPYRIGHT RIGHTS.

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C O R R E C T E D C O P Y (DOWNGRADED LOU PER PORT AU PRINCE 0108)

ARA/CAR PASS AMBASSADOR MCMANAWAY

10. THE GOVERNMENT OF HAITI IS COMMITTED TO REGULATING BROADCAST TRANSMISSIONS AND HAS ADDRESSED THE CONCERN OF TH UNITED STATES REGARDING THE MISUSE OF U.S. COPYRIGHTED MATERIAL. FURTHERMORE, THE GOVERNMENT OF HAITI WILL MAKE CERTAIN ITS NATIONALS DO NOT ENGAGE IN THE BROADCAST OF COPYRIGHTED MATERIAL, INCLUDING FILMS OR TELEVISION MATERIAL, BELONGING TO UNITED STATES COPYRIGHT OWNERS WITHOUT THEIR EXPRESS CONSENT. THE GOVERNMENT HAS INSTRUCTED THE HAITIAN TELEVISION STATIONS TO TAKE ALL NECESSARY STEPS TO COMPLY WITH THIS SITUATION.

11. THE GOVERNMENT OF HAITI IS PREPARED TO COOPERATE WITH THE UNITED STATES IN THE ADMINISTRATION OF THE PROVISIONS OF THIS TITLE.
THE GOVERNMENT OF HAITI UNDERSTANDS THAT THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT RECOGNIZES THE AUTHORITY OF THE PRESIDENT OF THE UNITED STATES TO WITHDRAW OR SUSPEND THE BENEFICIARY STATUS OF PREVIOUSLY DESIGNATED COUNTRIES. HAITI AGREES TO NOTIFY THE UNITED STATES IN THE EVENT OF CHANGES IN ANY OF THE POLICIES OR PRACTICES DISCUSSED ABOVE WHICH MIGHT PROVE TO BE INCONSISTENT WITH ANY OF THE DESIGNATION CRITERIA OF THE U.S. CBI LAW. THE GOVERNMENT OF HAITI WOULD BE PREPARED TO CONSULT WITH THE UNITED STATES GOVERNMENT UPON REQUEST CONCERNING SUCH CHANGES
SINCERELY, JEAN-ROBERT ESTIME, MINISTER OF FOREIGN AFFAIRS.
CC: SECRETARY OF STATE, GEORGE SHULTZ. END TEXT.
DAWKINS

Ministerio de Economía
República de Honduras

OFFICIAL TRANSLATION

Tegucigalpa, D.C.,
December 14, 1983

The Honorable
William E. Brock
United States Trade Representative
Washington, D.C.

Dear Mr. Ambassador:

By virtue of the recent approval of the Caribbean Basin Economic Recovery Act by the Honorable Congress of the United States of America, and considering the broadness of its objectives and its range, and in view of the fact that Honduras is considered as an eligible country in accordance with Section 212 for purposes of applying for the benefits which are derived from this law, Honduras desires to formalize its interest in being designated as a beneficiary country in conformity with the provisions of said Act.

For the following reasons, the Government of Honduras believes that it has satisfied the criteria of Section 212 (B) of the Caribbean Basin Economic Recovery Act.

1. Honduras has a constitutional and democratic government, elected by the will of the majority of the Honduran people as expressed in free and honest elections; we are a country traditionally allied with the United States because we believe in the same democratic values.

Ministerio de Economía
República de Honduras

Our economic system is supported by the democratic and harmonious coexistence of diverse forms of property ownership and company structure, by which the State recognizes, guarantees and encourages freedom of consumption, savings, investment, occupation, initiative, commerce, industry, contracting, and doing business, and whatever other such freedoms emanate from the principles of liberty, democracy, equity, justice and independence set forth in the Constitution of the Republic.

Our judicial system is consistent with such a philosophy and offers nationals and foreigners the necessary safety to enjoy the rights established and to settle disputes in case they arise.

2. The Government of Honduras is commited by the terms of the General Treaty of Friendship, Commerce and Consular Rights between our two countries to the provision of just, adequate and effective compensation in all instances of expropriation of property owned by nationals and companies of the United States.

In the case of the properties registered under the name of Ganadera de Trujillo. S.A., the Government of Honduras issued a decree of expropriation (Acuerdo No. 245) which became effective on November 4, 1983; formal notification was made to a representative of Ganadera de Trujillo S.A. on December 6, 1983.

The government of Honduras has initiated direct negotiations in this case with the objective of providing prompt, adequate and effective compensation based on a fair market valuation of the affected property in accordance with the laws of Honduras and consistent with the requirements of the General Treaty of Friendship, Commerce and Consular Rights. In the event that no agreement is reached through direct negotiations within sixty days of the date on which such negotiations are initiated, upon request of the claimant, the Government of Honduras agrees to submit the case to a national valuation proceeding as provided under the Law of Forcible Expropriation with the objective of providing prompt, adequate and effective compensation based on a fair market valuation of the property in accordance with the laws of Honduras and consistent with the requirements of the General Treaty of Friendship, Commerce and Consular Rights. The Government of Honduras further agrees that the national valuation proceeding will be concluded within three months of the date of initiation of such proceeding. The Government of Honduras also agrees that the national valuation proceeding will be conducted by a three-member panel with one member to be chosen by each of the parties and the third member to be chosen by an internationally recognized arbitral body/and designated by mutual agreement of the

parties. The decision of the panel will be binding and final and panel decisions will be made by majority vote. Payment to the claimant will be in cash and paid immediately upon the final decision of the panel.

The Government of Honduras, interested in maintaining a propitious climate for foreign investment in our country, is fully prepared to make all possible efforts to achieve the goal of assuring that Mr. Brian Dennis O'Neal does not lose the sum of his investment in Honduras.

3. Honduras proclaims as absolute the validity and obligation to execute international arbitral and judicial sentences, in accordance with the judicial ordinances of the country. In this sense, the controversies that have arisen have been resolved satisfactorily and at present there exist no pending cases of this nature.

   Further, there are no instances in which the Government of Honduras has failed to act in good faith in recognizing as binding, or in enforcing, arbitral awards in favor of United States citizens or corporations.

4. In its international trade relations, Honduras has signed Bilateral Trade Agreements with the Central American countries, Panama, Argentina, Chile, Romania and Colombia;

it has not signed, nor is it its policy to sign agreements by which preferential treatment is granted to developed countries.

5. No entity owned by the Government of Honduras engages or will engage in the rebroadcasting of materials belonging to United States copyright holders without their express consent.

6. We have prohibited by law the production, consumption and traffic in hallucinogenic drugs and narcotics. Honduras cooperates actively in the control programs designed to impede the illegal international traffic in drugs to other countries, including the United States.

7. We are signatories of the Treaty of Extradition between Honduras and the United States of America of July 10, 1912 and of the Supplementary Extradition Convention between the Republic of Honduras and the United States of America of June 5, 1923.

For the following reasons the Government of Honduras believes it has satisfied the criteria of Section 212 (C) of the Caribbean Basin Economic Recovery Act.

1. EXPRESS PROPOSAL TO BE DESIGNATED A BENEFICIARY COUNTRY

Honduras has received with satisfaction the news of the

Ministerio de Economía
República de Honduras

signing of the law to promote economic recovery and to facilitate the expansion of economic opportunities in the region of the Caribbean Basin.

Conscious of the benefits of this economic program for each of the countries of the delimited region and for the United States itself, and certain that our country meets the established conditions and requirements, we hereby present the application of the Government of the Republic so that the President of the United States may issue the proclamation by which Honduras is designated a beneficiary country in accordance with Section 212 of the Caribbean Basin Economic Recovery Act.

We wish to reiterate the strategic importance of Honduras. In the Central American context, the role which Honduras plays is a vital element in the political and economic stability of our region and in the United States' own security.

This strategic importance, our support for the regional policies of our friendly neighbor state, and the vital necessities of the Hondurans justify preferential treatment by the United States for Honduras, which we hope to receive under the most equitable circumstances and in a timely manner in order to confront successfully the concrete economic

and social problems that are destabilizing our political environment and limiting our possibilities for development.

2. ECONOMIC CONDITIONS OF HONDURAS

Honduras is one of the least developed countries in Latin America, as its low per capita GDP indicates. Further, its rates of infant mortality, illiteracy and unemployment are high in relation to regional levels. The systems of water supply, education and health services are insufficient, especially in rural areas, where incomes are considerably lower than the national average. Natural resources are relatively scarce, and the country depends principally on a few agricultural exports in order to obtain the foreign exchange necessary to carry out programs of economic and social development. This situation is aggravated by the negative effects of the terms of trade which result from the unjust phenomenon of low prices for the products which we sell and high prices for the products which we need to import.

Land is the principal natural resource of this country. Honduras possesses the largest forest reserve of natural pine in Central America, and is one of the principal exporters of sawn lumber in Latin America. The Government has taken measures to protect and assure the optimal use of these resources, paying special attention to reforestation,

to fire control and to the encouragement of alternative sources of energy. Honduras has made a considerable effort to develop its forestry and hydroelectric potential, together with its mineral and fishing resources, and to open up new external markets and diversify exports--which consist mainly of bananas, coffee, sugar and pine wood.

Honduras is the second largest country among the five Republics of Central America, with a surface area of 112,088 square kilometers (43,277 square miles). Most of the country is mountainous. In the south, volcanic fields which have been inactive for many years predominate, while in the north there is a narrow belt of lowlands between the ocean and the mountains. In the northeast, the Aguan Valley, which has a high potential for economic and social development, stands out.

The Honduran population has grown by 3.1 percent annually, from some 2 million at the beginning of the decade of the 1960's to 3.9 million in 1982. Approximately 34.4 percent of the population is urban and about 60 percent is literate. Although education is obligatory, half of the children in the rural areas do not attend school. Honduras is one of the countries of Latin America that has developed its economic potential to a lesser degree, a fact that is reflected in its per capita GDP of only US$ 730 in 1982

(according to updated figures from the Central Bank).

The present situation and the future perspectives of the economy are closely related to political events in Central America. The regional environment will have direct effects on the rate of growth of GDP, the levels of possible investment, the general mobilization of resources, and the role of the private sector within the context of the economic development of the country.

3. ACCESS TO THE MARKETS AND THE BASIC PRODUCTS OF THE COUNTRY.

Honduras has a long tradition of friendship with the United States, and United States participation is generally considered to be a positive factor by the Honduran public and private sectors.

The United States is the principal trading partner of Honduras, accounting for more than 55 percent of the latter's exports and 43 percent of its imports. It is also its main source of commercial banking credit and its principal donor of bilateral aid.

Honduras maintains an open trading regime which is non-discriminatory with the exception of preferences to other members of the Central American Common Market and Panama and

which does not unduly restrict trade with the United States or third countries. The Honduran Government will notify the United States Government on a reciprocal basis with regard to the introduction, intensification, extension, and modification of any trade measure taken in response to balance-of-payments problems or to protect infant industries. Whenever practicable, the Government will inform the United States Government of a time schedule for the removal of such measures.

4. STANDARDS OF INTERNATIONAL TRADE

Honduras follows the accepted rules of international trade. Given the compatibility between the internal legislation of Honduras and the norms of the GATT, the Government of Honduras intends to seek entry to the GATT. This action will be taken with consideration of Honduras' commitments to the Central American Common Market, which are accepted by article XXIV of the GATT as an exception to the application of the most favored nation clause.

Also at present, Honduras and the United States are in the process of negotiating a treaty for the encouragement and reciprocal protection of investments.

5. NONEXISTANCE OF LAWS OR POLICIES WHICH DISTORT INTERNATIONAL TRADE

Where fiscal incentives related to exports are granted, the Government of Honduras will review its trade promotion policies or practices with the objective of ensuring that these do not distort international trade. The Government of Honduras agrees to consult with the United States Government if the United States Government believes that any trade practices of the Government of Honduras have a trade distorting effect.

In the interim, the Government of Honduras agrees not to expand the overall level of subsidies. Honduras does not and will not impose performance requirements which would distort its trade with the United States.

6. REGIONAL TRADE

Honduras participates in Central American trade in a dynamic manner under the rules of trade contained in the Bilateral Agreements signed with each of the other countries of the region. These Bilateral Agreements, and the similar one signed with Panama, operate within the geopolitical framework of influence of the Caribbean Basin Economic Recovery Act. Because of this, the trade rules and relations of Honduras also contribute to the revitalization of the regional economy.

7. INTERNAL MEASURE TO PROMOTE NATIONAL DEVELOPMENT

The Constitutional Government has decided to direct all its

efforts towards the transformation of the country in order to stop the recession, addressing the problems through the National Development Plan, not only from the standpoint of the economic structure but also from the psychological-social, judicial and political points of view.

The new development model and the present measures aim to slow the advance of the economic crisis, the drastic reduction of income, and the growing unemployment rate in order to favor the social sectors most harmed by the recession and, at the same time, to provide the means of stimulating production.

In the interior of the country, the model focuses on the areas of agriculture, cattle breeding, forestry, fishing and mining. Simultaneously, it calls for the maximum utilization of the manufacturing sector's installed capacity, especially in agroindustry and in the rational utilization of primary natural resources.

In terms of this new focus, the Government performs the double role of manager and promoter of development through concerted action between the Government and the people, which is shaped by the great agents of development: the Government and the Private Sector.

Within the framework of economic policy, the productive sectors occupy a preponderant role; they are oriented towards the production of goods and services for export and towards the production and commercialization of essential goods, especially food for internal consumption.

Social efforts are basically oriented towards improving the quality of services in the areas of education. health, housing and sanitation so that the Hondurans may be in the best condition to work.

The economic infrastructure--transportation, energy, communications, irrigation, flood control and drainage--should be oriented fundamentally towards the realization of productive activities or projects and should serve as a support to social development by making intensive use of manual labor.

The strategy to achieve self-sustained development rests on the use of the potential resources on which the country relies; among them, the human factor is the most important. Income and productivity should be assured, with the end result being an increase in the participation of the population in the productive process, thus reducing unemployment and underemployment.

Measures have been taken which signify a great sacrifice

for the Honduran people. In order to reduce the consequences of the crisis and augment the beneficial effects of investments the Government--assuming full responsibility--has adopted a program which involves high political risks but which is necessary. In connection with this, due attention has been paid to the relevant opinions of the international financial organizations.

The main goals are:

- to restore the equilibrium of the balance of payments;
- to reduce the fiscal deficit;
- to augment the liquidity of the private sector.

The Government of Honduras has adopted various fiscal measures including increasing the rates of old tariffs and taxes and establishing new ones. Measures have also been adopted to reduce tax evasion, to restrict current expenses, to supervise and control the decentralized public entities more strictly, and to initiate a study of the system of customs duties. On November 5, 1982, on the basis of the stabilization program. the IMF approved a contingent credit for SDR 76.5 million to be disbursed during the period ending in December 1983.

The projection of growth for this year indicate a relative

stagnation of production, however, it is expected that economic activity will begin to recover slowly, showing positive results toward the beginning of 1984. The medium-term perspectives are more encouraging, due to the effect which investments (either already completed or currently being carried out) will have on economic activity. Some examples of these investments are the Bonito Oriental sawmill, the Bajo Aguan rural development project, and the El Cajón hydroelectric project; together, these will produce considerable increases in exports of lumber and agricultural products as well as savings in the consumption of petroleum.

The Government has established a Program of Public Investment (Programa de Inversión Pública or PIP) for the period between 1983 and 1986, with the purpose of assuring continous growth and improving the quality of life and the distribution of the national income.

The PIP will require considerable improvement in the performance capability of the public sector, as well as the adoption of additional measures designed to generate larger fiscal savings in order to finance growing local counterpart needs. The proposed investments will only be feasible if additional external credit is obtained to cover part of the local contribution requirements for projects agreed upon during the

last two years. Moreover, strong financial support will be needed from the international community for new PIP projects.

Investments which are already completed or are currently being carried out in the forestry and hydroelectric sectors, as well as investments related to new export and import substitution items-such as citrus, soybeans, African palm and basic grains-will also have positive effects on the potential for international trade.

All of the above will be possible insofar as Honduras succeeds in penetrating external markets, continues with its stabilization program and with the prudent handling of its external debt (especially that of the decentralized public entities), and receives external financial support.

8. LABOR CONDITIONS

The Honduran laws that govern the relations between employers and employees are of a public nature and are inspired by the concept of harmony between capital and labor as factors of production.

Consequently, the Government must guard the rights of the workers and at the same time protect capital and the employer.

A labor jurisdiction exists to which are submitted all judicial disputes arising out of relations between employers and

workers. The Government has the obligation to promote, organize and regulate conciliation and arbitration in order to achieve peaceful solutions in labor disputes.

The law establishes the obligation of the employer to abide by the legal hygiene and health requirements, and to see that they are carried out in his facilities. At the same time, he is to adopt adequate on-the-job security measures to prevent occupational risks and insure the physical and mental well-being of the workers.

Honduras has succeeded in developing a strong and advanced union and farm worker movement which is a model of organization, democracy and the willingness to solve labor disputes through dialogue, and is the basis for the social tranquility that prevails in our society. The organization of both laborers and farm workers maintain close ties of friendship with United States labor unions.

The labor code has application in all of the national territory, including the Free Zone of Puerto Cortes. On the basis of alleged claims to the effect that the workers in a company in the Industrial Free Zone of Puerto Cortes were obliged to sign an agreement by which they committed themselves not to form or establish a labor union, the Government of Honduras, in application of the Labor Code, will investigate

such claims.

In addition to this investigation, the Government plans to send additional inspectors in the near future to all the companies in the Free Zone in order to assure that the workers know their rights and legal protections in matters of labor legislation.

9. PROTECTION OF INTELLECTUAL PROPERTY

The Constitution and the laws of Honduras recognize rights to industrial, commercial, scientific, literary or artistic property, and do not consider them monopolistic.

Through suitable registration, the Government protects patents, copyrights, trademarks (whether they relate to manufacturing, trade, or service industries), trade names, and licensing contracts used in regard to such aspects of business.

The laws which protect the elements of intellectual property grant the same treatment to the trademarks, patents or copyrights of nationals and of foreigners. The period of protection for patents is from ten to twenty years, depending on the importance of the invention and the wishes of the petitioner, and is ten years (renewable) for trademarks. Patents registered in another country can be registered in

Honduras for the period of protection remaining in their country of origin.

Registrations are made without prejudice to the rights of third parties.

The Government of Honduras, in accordance with national legislation and the international agreements to which it is a party, agrees to provide the adequate and effective means to guarantee to foreign citizens the exercise of their rights to intellectual property, including patents, trademarks and copyrights.

10. MEANS BY WHICH THE PROTECTION OF INTELLECTUAL PROPERTY IS ACCOMPLISHED

The laws governing intellectual property prohibit the forging, illegal use, or dissemination without permission of material protected by copyrights, patents or trademarks duly registered in Honduras, setting penalties such as the suspension of illegal use, payment of indemnity for damages and injuries, surrender of reproductions and illegal copies for incineration in the presence of a judge who is familiar with the matter, or one year in prison.

The law provides mechanisms for contesting and annulling registrations and for safeguarding registration rights; these

are validated by competent judges. In any event, the civil or penal action which occurs is not official unless it is initiated by the person or company that considers itself injured in terms of its rights.

In September 1983, Honduras adhered to the General Agreement established by the World Organization for Intellectual Property (Organización Mundial de la Propiedad Intelectual, or OMPI), signed in Stockholm on July 14, 1967.

Upon request of a concerned party, the Honduran Government will prevent the broadcasting (including cable transmission) of material belonging to United States copyright holders without their express consent having been obtained. This will be accomplished by enforcement of the applicable law or by administrative means within the Government of Honduras' authority. If it proves to be necessary, additional authority or legislation will be sought. Honduras is prepared to facilitate negotiations between the parties concerned, with the purpose of attaining expeditiously agreement with United States copyrights holders.

11. COOPERATION WITH THE UNITED STATES

Honduras reiterates that it is a country consciously allied with the United States because it believes in the same democratic values.

In spite of the implicit political risks, the Government of Honduras has made decisions that demonstrate Honduras' strength and good faith in this democratic alliance, and that are designed to preserve its own economic and security interests and those of the United States in this highly convulsive geopolitical area.

Qualified missions of the Government of the United States and organizations from its private sector have recognized, on site, the need for international cooperation which Honduras is requesting in the economic, social and national security fields.

The economic and political emergency requires efforts and resources of a magnitude which we unfortunately do not have within our reach.

In the context of this traditional alliance and of present needs, Honduras is ready to continue cooperating with the United States to promote, strengthen and preserve representative, pluralistic and participatory democracy and to contribute to the success of the United States Program for the economic recovery of the Caribbean Basin.

Honduras is prepared to cooperate with the United States in the administration of the provisions of the United States

Ministerio de Economía
República de Honduras

Caribbean Basin Economic Recovery Act.

We have the responsibility for a highly sensitive and critical role; we request the excellent and opportune treatment which we merit.

We are helping the United States and we urge that the United States cooperate with Honduras in an ample and just manner in return.

The Government of the Republic of Honduras understands that the Caribbean Basin Economic Recovery Act recognizes the authority of the President of the United States to withdraw or suspend the beneficiary status of previously designated countries. Honduras agrees to notify the United States in the event of changes in any of the policies or practices discussed above which might prove to be inconsistent with any of the designation criteria of the United States law. The Government of Honduras would be prepared to consult with the Government of the United States upon request concerning such changes.

I take advantage of this opportunity to renew to your excellency the assurances of my highest consideration.

ANGEL EDUARDO RAMOS S.
Minister of Economy and
Commerce by Law

GOVERNMENT OF ANTIGUA AND BARBUDA

OFFICE OF THE PRIME MINISTER

St. John's, Antigua, West Indies
Telephones: 20773/79
21240

Cable Address: OFPREM ANU
Telex: 2127 OFPREM AK

Ref. No. OPM-C 20/7

10th October, 1983

The Hon. William E. Brock
United States Trade Representative
Office of the United States Trade Representative
1800 G. Street, N.W.
Washington, D.C. 20506

The Hon. George P. Shultz
Secretary of State
Department of State
Washington D.C. 20520

Dear Mr. Ambassador and Mr. Secretary:

The Government and people of Antigua and Barbuda wish to express their pleasure at the passage of the Caribbean Basin Economic Recovery Act. It is our feeling that Antigua and Barbuda could benefit greatly from this Act and would therefore wish to be designated as a beneficiary. As a result, we herewith submit the following information which forms the criteria for designation as a beneficiary laid down in the Act as they apply to Antigua and Barbuda.

SECTION 212 B (1) COMMUNIST COUNTRY

Antigua and Barbuda as you are undoubtedly aware, is not a Communist Country. Neither do we court such philosophy or ideology. It is our country's objective to foster, preserve and strengthen the western democratic system and to this end we channel our very being.

SECTION 212 (B) (2) EXPROPRIATION

The Government of Antigua and Barbuda has not expropriated or otherwise seized any assets belonging to a United States Citizen or Corporation. In any case, protection from deprivation of property is enshrined in our Constitution. "No property of any description shall be compulsorily taken possession of and no interest in or right to or over property of any description, shall be compulsorily

acquired except for public use and except in accordance with the provisions of a law applicable to that taking possession or acquisition and for the payment of fair compensation within a reasonable time." It might also be prudent to note that any person whose property or right or interest in a property has been compulsorily acquired has the right of access to the High Court. This access to the High Court is for determination of his interest or right, the legality of the taking of possession or acquisition of property, interest or right and the amount of any compensation to which he is entitled and the purpose of obtaining payment of that compensation.

B (3) ARBITRAL AWARDS

Antigua and Barbuda provides for Arbitration in disputes and to this end passed the Arbitration Act No. 12 of 1975. The Act inter alia provides the machinery for the settlement of disputes in civil matters between parties without recourse to the courts and for matters connected therewith and incidental thereto. The authority of Arbitrators and Umpires under our law is irrevocable and unless a contrary intention is expressed therein, every arbitration award is final. Despite the foregoing, there is provision for the High Court to set aside the award or remove an Arbitrator under certain circumstances eg. where an Arbitrator or Umpire has misconducted himself or an arbitration award has been improperly procured.

Antigua and Barbuda, being a dependent of Britain prior to 1981 remains bound to Agreements signed by Britain on our behalf unless expressly cancelled by Antigua and Barbuda after November, 1981. Britain is a signatory to the Convention on the Execution of Foreign Arbitral Awards signed at Geneva on the 26th September 1927 and Antigua and Barbuda remains bound to this agreement as we have not cancelled out since our independence.

B (4) REVERSE TRADE PREFERENCES

Antigua and Barbuda does not provide preferential treatment to the products of any developed country. Furthermore, Antigua and Barbuda, like its partners in the Organisation of Eastern Caribbean States, operate a single column tariff and it is our policy not to enter into any agreement which would require preferential treatment to the products of any developed country.

B (5) GOVERNMENT ENTITY REBROADCASTING OF COPYRIGHTED MATERIAL

With reference to Section 212 (B) (5) of the Act, Antigua and Barbuda has longstanding laws and regulations which protect the authors of copyrighted material and otherwise govern the use thereof. More specifically, Chapter 359 of the Revised Laws of Antigua makes clear that any copyrighted work, foreign or domestic, is accorded the full and fair protection of the laws of Antigua and Barbuda without distinction between national and foreign copyright holders.

Additionally, Chapter 359 of our Laws assures that any aggrieved party, foreign or domestic, has the right to seek redress in this Country's Court of proper jurisdiction, viz: High Court.

Recognizing, however, that developments in the telecommunications field provide, and will continue in the future to provide, new services and trade opportunities, Antigua and Barbuda believes it appropriate to consider further clarification, protection, and action regarding the use of copyrighted materials via the various modes of telecommunications, including, but not limited to, over the air (broadcast, satellite, microwave, wire (broadband or other), and recordings (sound, tape, or disc).

Accordingly, and in recognition of a changing marketplace, we have conferred with an expert in the matter of negotiating directly with copyright holders for the purpose of determining the method (s) and procedure (s) available for arriving at appropriate rates and/or compensation. We expect to consider this matter further, and look forward to direct negotiations with all affected copyright holders.

It should be noted here that further negotiations with copyright holders may be conducted under the auspices of CARICOM, as appropriate, or may be conducted in concert with other member states in the Caribbean region.

Such consideration of the Universal Copyright Convention, and subsequent adoption, shall not preclude Antigua and Barbuda from considering any other bilateral or multilateral agreements that may best afford reciprocal protection for copyright holders, wherever situated. Registration requirements shall be in accordance with ordinary practice and procedure of the Universal Copyright Convention.

B (6) COOPERATION ON NARCOTICS MATTERS

The Government of Antigua and Barbuda fully shares the concern of the Government of the United States of America on the serious problem of narcotics. We have in the past and will continue in the future to cooperate with the United States in attempting to deal with this threat to the well-being of the citizens of both countries.

Due to the proximity of Antigua and Barbuda, Puerto Rico, the U.S. Virgin Islands to the South American and Caribbean Narcotic belt, fairly regular communication is maintained between the Puerto Rican Government Narcotic Experts and those of Antigua and Barbuda. Through the assistance of the U.S. in training courses to make our police and customs more alert on spotting and identifying of narcotics, we have been able to better combat the problem domestically and be able to contribute to the international narcotics control efforts. We look forward to continued cooperation and assistance.

B (7) EXTRADITION

Antigua and Barbuda is a party to the US - UK Extradition Treaty of 1972 and fully enforces its provisions. A perusal of the records of the USVI in particular would reveal the cooperation given by Antigua and Barbuda in this regard even where citizens of Antigua and Barbuda are concerned.

212 (C) (1) DESIRE TO BE DESIGNATED

As mentioned in the opening paragraph, Antigua and Barbuda wishes to be designated as a beneficiary under the Caribbean Basin Economic Recovery Act, hence our present response to meet the criteria for designation.

C (2) ECONOMIC CONDITIONS

The Economic Conditions are well known to all who are conversant with the small island States of the Caribbean. With a population of 75,000 people and no natural resources we are dependent on the resources of our people as well as the good will of our developed neighbours.

TRADE

C (3) ACCESS TO MARKETS

C (4) ACCEPTANCE OF INTERNATIONAL TRADE RULES

C (5) EXPORT SUBSIDIES, PERFORMANCE REQUIREMENTS, LOCAL CONTENT REQUIREMENT

Antigua and Barbuda, while not signatory to the General Agreement on Tariffs and Trade applies the Agreement, rules and principles de facto. We are members of the Caribbean Common Market (CARICOM) who is seriously studying the possibility of becoming a signatory to the Agreement and to several of the Codes jointly and severally.

In line with this commitment to the Agreement and Codes, Antigua and Barbuda subscribes to the "Most favoured nation" principle with the permitted exception relating to CARICOM. We further subscribe to the principle of notification and consultation. In general, we seek to limit protective measures to tariffs. However, to protect certain infant industries and to encourage domestic production, Antigua and Barbuda does have an import licensing requirement in effect for certain commodities. These we hope will be removed with the passage of time.

With the exception of preferences to other CARICOM members who satisfy certain requirements for rules of origin, Antigua and Barbuda provides non-discriminatory access to its market to all countries. Foreign investment is encouraged and sought and the Fiscal Incentive Act of 1975 was introduced specifically with this in mind. In addition, many promotional and marketing tours are carried on abroad to woo foreign investors and to create markets for existing products.

Trade in the service areas are not encouraged as much as Trade in the manufacturing areas. However, this does not include Airline, the Hotel Industry and First Class Restaurant business or highly capitalised service industries. In other service areas joint ventures are encouraged.

Antigua and Barbuda deos not provide export subsidies and imposes no export performance requirements or local content requirements on foreign or domestically owned manufacturers. Nonetheless, in order for a manufacturing exporter to qualify for certain tax benefits, certain levels of local value added is required.

C (6) REGIONAL REVITALIZATION

Antigua and Barbuda is a full member of the Caribbean Community and supports its aims and objectives. We believe that the success of CARICOM in promoting the economic development of its members and the incorporation of other neighbouring countries contributes to the revitalization of the wider Region.

C (7) SELF-HELP

It is the intention of Antigua and Barbuda to take any measure necessary to promote and develop its manufacturing and capital intensive service areas in order to take full advantage of the CBI. We intend to increase our advertisement through our overseas offices and to take advantage of more promotional assistance. At the same time, we intend to improve upon our infrastructure to meet the increased trade. Similarly, we intend to adjust our educational system to meet the needs and trend of our economic thrusts.

C (8) WORKERS RIGHT

The workers right to organize and bargain collectively is fully protected in Antigua and Barbuda by both custom and statute.

Antigua has several Trade Unions with two relatively powerful ones, one supporting the present Government while the other supported the previous Government.

The Government of Antigua and Barbuda amalgamated most of the laws pertaining to workers safety, rights, pay, etc, in one law in 1975 called the Antigua Labour Code. This is being policed by the Labour Department and is in the process of being updated through imputs from all Labour Unions, Employers Federation, Government and individuals.

C (9) INTELLECTUAL PROPERTY

Antigua and Barbuda grants protection to all and sundry with registered patents, Trade Marks and copyright. These are done under Chapter 359 of the Revised Laws of Antigua.

Any person, company or firm can apply to the Registrar for registration of patent, copyright, or Trade Mark and be granted such after due process of advertisement and research as to authenticity.

Public notice of patents, Trade Marks and copyrights are done in the Official Gazette to the country and one does not have to be domiciled to take advantage of such notices.

C (10) PRIVATE BROADCAST OF COPYRIGHT MATERIAL

As explained more fully above, the laws of Antigua and Barbuda afford both protection and redress to all copyright holders, without regard to nationality or domicile. These longstanding laws, of course, apply to all copyright holders who may reside within or who are citizens of the United States. Additionally, Antigua and Barbuda is currently considering various actions that would afford copyright holders more clarification and protection regarding the use of copyrighted product.

These facts are particularly relevant in view of the fact that there is currently establishing in Antigua and Barbuda a cable television. This is a joint venture between Antigua and Barbuda and U.S. Nationals. However, recognizing the need to afford greater protection to all copyright holders, the cable operators have satisfied the Antigua and Barbuda Government that they are in discussions with owners of copyrights to work out their compensatory relationship.

C (11) COOPERATION IN ADMINISTRATION

Antigua and Barbuda is fully prepared to cooperate with all reasonable procedures aimed at maintaining the integrity of the CBI Recovery Act Trade Provisions. This would include, but not be limited to appropriate certification procedures, monitoring, compliance and provision information.

We sincerely hope that we have answered the questions satisfactorily and look forward to being advised of Antigua and Barbuda designated as a Beneficiary in the first round.

Sincerely Yours,

V. C. Bird

Vere C. Bird
Prime Minister
Antigua and Barbuda

:em

UNCLASSIFIED

Department of State

INCOMING TELEGRAM

PAGE 01 ANTIGU 00968 2401#3Z 6600
ACTION ARA-06

INFO OCT-00 COPY-01 ADS-00 AID-00 INR-10 CIAE-00 EB-08
HSAE-00 COME-00 SSO-00 LOC-01 LAB-04 ITC-01 CCO-00
STR-14 SIL-01 INRE-00 DIB-01 FCC-02 USIE-00 OC-06
TCIP-03 /076 W

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~O P 2400292 NOV 83
FM AMEMBASSY ANTIGUA
TO SECSTATE WASHDC IMMEDIATE 1925
INFO AMEMBASSY BRIDGETOWN

UNCLAS ANTIGUA 0968

HANDLE AS IMMEDIATE: DEPT PLEASE PASS USTR IMMEDIATELY
E.O. 12356: N/A
TAGS: EINV ETRD EGEN AC
SUBJ: REVISION OF CBI LETTER: ANTIGUA AND BARBUDA
REF: STATE 297893
1. AFTER A VISIT NOVEMBER 23 BY AMBASSADOR BISH, PRIME MINISTER BIRD AGREED TO AND SIGNED THE FOLLOWING LETTER REVISING HIS EARLIER CBI LETTER IN ACCORDANCE WITH REFTEL:
BEGIN TEXT.
DEAR MR. SECRETARY AND MR. AMBASSADOR,
MY GOVERNMENT UNDERSTANDS THAT AFTER REVIEWING MY LETTER OF OCTOBER 18, 1983, THE GOVERNMENT OF THE UNITED STATES HAS A NUMBER OF QUESTIONS REGARDING THE FULFILLMENT OF CERTAIN

PAGE 02 RUCBSGG3842 UNCLAS ANTIGUA 0968
DESIGNATION CRITERION OF THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT BY ANTIGUA AND BARBUDA. WE WISH TO MAKE THE FOLLOWING ADDITIONS TO OUR PREVIOUS LETTER IN THE HOPE OF CLARIFYING THOSE ISSUES.
SECTION 212 (B) (2) ADDITION: INTELLECTUAL PROPERTY OF ANY TYPE, INCLUDING PROPERTY PROTECTED BY PATENTS AND TRADEMARKS, IS ACCORDED THE SAME PROTECTION (RE EXPROPRIATION) PROVIDED FOR UNDER THE CONSTITUTION OF ANTIGUA AND BARBUDA.
SECTION 212 (B) (3) ADDITION: THERE ARE NO INSTANCES IN WHICH OUR GOVERNMENT HAS FAILED TO ACT IN GOOD FAITH IN RECOGNIZING AS BINDING OR IN ENFORCING SUCH ARBITRAL AWARDS IN FAVOUR OF U.S. CITIZENS OR COMPANIES.
SECTION 212 (B) (5) ADDITION: NEITHER THE GOVERNMENT OF ANTIGUA AND BARBUDA NOR ENTITIES UNDER ITS CONTROL WILL REBROADCAST COPYRIGHTED MATERIAL, INCLUDING FILMS OR TELEVISION MATERIAL, BELONGING TO U.S. COPYRIGHT HOLDERS, WITHOUT THEIR EXPRESS CONSENT.
SECTION 212 (C) (3-5) ADDITION: AFTER THE WORDS "ACCESS TO ITS MARKETS" INSERT "AND BASIC COMMODITIES"
SECTION 212 (C) (3-5) ADDITION: THE GOVERNMENT OF ANTIGUA

PAGE 03 RUCBSGG3842 UNCLAS ANTIGUA 0968
AND BARBUDA WILL KEEP UNDER REVIEW ITS FISCAL INCENTIVES RELATED TO EXPORTS WITH THE OBJECTIVE OF AVOIDING DISTORTIONS IN ITS INTERNATIONAL TRADE. THE GOVERNMENT OF ANTIGUA AND BARBUDA AGREES TO CONSULT WITH THE UNITED STATES GOVERNMENT IF THE U.S. BELIEVES THAT ANY TRADE PROMOTION PRACTICES OF THE GOVERNMENT OF ANTIGUA AND BARBUDA HAVE A TRADE-DISTORTING EFFECT. THE GOVERNMENT OF ANTIGUA AND BARBUDA WILL ALSO AVOID THE USE OF ANY PERFORMANCE REQUIREMENTS WHICH WOULD DISTORT TRADE WITH THE UNITED STATES.
SECTION 212 (C) (9) ADDITION: THE GOVERNMENT OF ANTIGUA AND BARBUDA WILL PROVIDE ADEQUATE AND EFFECTIVE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS FOR FOREIGN NATIONALS.
SECTION 212 (C) (10) ADDITION: ANTIGUA AND BARBUDA WILL ENDEAVOUR TO ENSURE THAT ANY REBROADCASTING BY ANTIGUA NATIONALS OF COPYRIGHTED MATERIAL WILL OCCUR ONLY WITH THE EXPRESS CONSENT OF THE COPYRIGHT OWNERS. END TEXT.
2. SUBSEQUENTLY, THE FOLLOWING FINAL PARAGRAPH, WHICH WAS INADVERTENTLY OMITTED FROM THE LIST OF REVISIONS, WAS ADDED:
BEGIN TEXT:

PAGE 04 RUCBSGG3842 UNCLAS ANTIGUA 0968
THE GOVERNMENT OF ANTIGUA AND BARBUDA UNDERSTANDS THAT THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT RECOGNIZES THE AUTHORITY OF THE PRESIDENT OF THE UNITED STATES TO WITHDRAW OR SUSPEND THE BENEFICIARY STATUS OF PREVIOUSLY DESIGNATED COUNTRIES. ANTIGUA AND BARBUDA AGREES TO NOTIFY THE UNITED STATES IN THE EVENT OF CHANGES IN ANY OF THE POLICIES OR PRACTICES DISCUSSED ABOVE WHICH MIGHT PROVE TO BE INCONSISTENT WITH ANY OF THE DESIGNATION CRITERIA OF THE U.S. LAW. THE GOVERNMENT OF ANTIGUA AND BARBUDA WOULD BE PREPARED TO CONSULT WITH THE U.S. GOVERNMENT UPON REQUEST CONCERNING SUCH CHANGES.
END TEXT.
3. ORIGINALS ARE BEING POUCHED TO USTR AND STATE.
MCF ARE ARE

UNCLASSIFIED

"UNCLASSIFIED"

Department of State — INCOMING TELEGRAM

PAGE 01 ANTIGU 01053 05 OF 05 171855Z 8350
ACTION ARA-06

INFO OCT-00 CIAE-00 EB-00 DODE-00 H-01 L/A-04 NSAE-00 NSAC-00 SAJ-01 SIL-01 TRSE-00 OPIC-07 PA-02 USIE-00 SP-02 /064 W

R 171855Z DEC 83
FM AMEMBASSY ANTIGUA
TO SECSTATE WASHDC IMMEDIATE 1585
INFO AMEMBASSY GRIDGETOWN IMMEDIATE//

UNCLAS SECTION 01 OF 02 ANTIGUA 1053

DEPT. FOR ARA/ECP G. ROSEN
DEPT. PLEASE PASS USTR FOR G.H. ELATZKY
E.O. 12356: N/A
TAGS: EINV ETRD CDEN VB
SUBJ: CBI DESIGNATION - MONTSERRAT - REVISION OF LETTER
REF: STATE 338265

1. FOLLOWING IS TEXT OF REVISED LETTER ON CBI FROM GOVERNMENT OF MONTSERRAT. THE LETTER IS SIGNED BY JOHN OSBORNE, CHIEF MINISTER. EMBASSY WILL FORWARD ORIGINAL AND ONE COPY TO DEPT. AND USTR
BEGIN TEXT: 14TH DECEMBER 1983
THE HONORABLE GEORGE P. SCHULTZ
SECRETARY OF STATE

PAGE 02 RUCBSOG2881 UNCLAS ANTIGUA 1053 SECTION 01 OF 02
DEPARTMENT OF STATE
WASHINGTON, D.C. 20520
SIR:
THE GOVERNMENT OF MONTSERRAT EXPRESSES ITS PLEASURE AT THE PASSAGE OF THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT AND WISHES TO BE DESIGNATED AS A BENEFICIARY UNDER THE SAID ACT.
AS REQUESTED, THE FOLLOWING INFORMATION IS SUPPLIED WITH A VIEW TO FULFILLING THE CRITERIA FOR DESIGNATION AS A BENEFICIARY UNDER SECTIONS 212 B AND 212 C OF WPE SAID ACT.
B(1) HER MAJESTY'S COLONY OF MONTSERRAT IS NOT A "COMMUNIST" COUNTRY.
B(2) MONTSERRAT HAS NOT EXPROPRIATED OR OTHERWISE SEIZED ASSETS BELONGING TO A UNITED STATES CITIZEN OR CORPORATION. IN THE EVENT OF ANY VISITOR, RESIDENT OR CITIZEN OF MONSTERRAT BECOMING LIABLE TO THE STATE FOR ANY DUTY, ARREARS OF INCOME TAX ETC. PAYMENT IS ONLY LEVIED IN ACCORDANCE WITH THE LAWS OF MONTSERRAT (I.E. CUSTOMS DUTIES ORDINANCE, CAP. 122; FORFEITURE ACT, CAP. 38; INCOME TAX ORDINANCE, 1967; MAINTENANCE ORDERS (FACILITIES FOR ENFORCEMENT) ACT, CAP. 48; PROPERTY TAX ORDINANCE, 1965; TARIFF COLLEC-

PAGE 03 RUCBSOG2881 UNCLAS ANTIGUA 1053 SECTION 01 OF 02
TION ORDINANCE, CAP. 239 ETC.) COMMON LAW RULES OF EVIDENCE APPLY. INTELLECTUAL PROPERTY OF ANY TYPE, INCLUDING PROPERTY PROTECTED BY PATENTS AND TRADE MARKS, IS ACCORDED THE SAME PROTECTION AGAINST EXPROPRIATION PROVIDED UNDER ITS CONSTITUTION FOR OTHER TYPES OF PROPERTY. THERE ARE NO DISPUTES INVOLVING U.S. CITIZENS AND THE GOVERNMENT ARISING OUT OF THE NATIONALIZATION OF PROPERTY.
B(3) MONTSERRAT IS SUBJECT TO THE IMPERIAL ACTS AND A PARTY TO THE ARBITRATION (INTERNATIONAL INVESTMENT DISPUTES) ACT 1966-G EXTENDED TO MONTERRAT 2.E.F. 28.2.1967. THERE ARE NO INSTANCES IN WHICH OUR GOVERNMENT HAS FAILED TO ACT IN GOOD FAITH B RECOGNIZING AS BINDING OR IN ENFORCING SUCH ARBITRAL AWARDS IN FAVOR OF U.S. CITIZENS OR COMPANIES.
B(4) MONTSERRAT DOES NOT PROVIDE PREFERENTIAL TREATMENT TO THE PRODUCTS OF ANY DEVELOPED COUNTRY. FUTHERMORE, IT IS THE POLICY OF MONTSERRAT NOT TO ENTER INTO ANY AGREEMENT WHICH WOULD REQUIRE IT TO DO SO.
B(5) NO ENTITY OWNED BY THE GOVERNMENT OF MONTSERRAT IS ENGAGED IN THE RE-BROADCAST OF MATERIAL SUBJECT TO COPYRIGHT BELONGING TO UNITED STATES COPYRIGHT HOLDERS WITHOUT THEIR EXPRESS CONSENT. FURTHER, IT IS OUR INTENTION NOT TO DO SO

PAGE 04 RUCBSOG2881 UNCLAS ANTIGUA 1053 SECTION 01 OF 02
WITHOUT EXPRESS CONSENT IN THE FUTURE.
B(6) MONTSERRAT SHARES THE CONCERN OF THE UNITED STATES IN RESPECT OF DRUG ABUSE AND THE ILLICIT TRADE IN DRUGS. MONTSERRAT HAS COOPERATED IN THE PAST IN THIS FIELD AND WILL COOPERATE IN FUTURE WITH THE UNITED STATES IN ORDER TO COMBAT AN EVIL WHICH POSES A DANGEROUS THREAT TO THE WELFARE OF OUR CITIZENS.
B(7)
MONTSERRAT IS A PARTY TO THE UNITED STATES/UNITED KINGDOM OF 1972 AND FULLY ENFORCES ITS PROVISIONS.
C(1) MONTSERRAT WISHES TO BE DESIGNATED AS A BENEFICIARY UNDER THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT.
C(2) THE BENEFITS THAT ARE LIKELY TO ARISE BY DESIGNATIONS AS A BENEFICARY WILL ENHANCE THE ECONOMIC CONDITIONS OF MONTSERRAT AND IMPROVE THE LIVING STANDARDS OF ITS INHABITANTS.
C(3) MONTSERRAT IS A PARTY TO THE GENERAL AGREEMENT ON
C(4) TARIFFS AND TRADE BY VIRTUE OF THE ACCESSION OF THE
C(5) UNITED KINGDOM AND ABIDES BY ITS PROVISION. IN LINE WITH THIS COMMITMENT TO THE AGREEMENT, MONTSERRAT SUBSCRIBES TO THE "MOST FAVORED NATION" PRINCIPLE WITH THE PERMITTED

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EXCEPTION RELATING TO CARICOM. WE FURHTER SUBSCRIBE TO THE PRONCIPLE OF NOTIFICATION AND CONSULTATION. IN GENERAL, WE SEEK TO LIMIT PROTECTIVE MEASURES TO TARIFFS BUT TO PROTECT SOME EMBRYONIC INDUSTRIES AND IMPORT LICENSING SCHEME EXISTS FOR CERTAIN COMMODITIES.
MONTSERRAT, WITH THE EXCEPTION OF PREFERENCES TO OTHER CARICOM MEMBERS, PROVIDES NON-DISCRIMINATORY ACCESS TO ITS MARKET TO ALL COUNTRIES WITH THE EXCEPTION OF SOUTH AFRICA. WITH THE EXCEPTION OF SOUTH AFRICA, FOREIGN INVESTMENT IS ENCOURAGED ANDOPRADE F SERVICES IS RELATIVELY OPEN WITH PREFERENCE BEING GRANTED TO BELONGERS AND REGIONAL PERSONS RESPECTIVELY.
MONTSERRAT PROVIDES NO EXPORT SUBSIDIES AND IMPOSES NO EXPORT PERFORMANCE OR LOCAL CONTENT REQUIREMENTS ON FOREIGN OR DOMESTICALLY OWNED MANUFACTURERS.
THE GOVERNMENT OF MONTSERRAT WILL KEEP UNDER REVIEW ITS FISCAL INCENTIVES RELATED TO EXPORTS, WITH THE OBJECTIVE OF AVOIDING DISTORTIONS IN ITS INTERNATIONAL

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Department of State

INCOMING TELEGRAM

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ACTION ARA-06

INFO OCT-00 COPY-01 ADS-00 AID-00 INR-10 EUR-00 IO-00
CIAE-00 ED-00 DODE-00 H-01 EXIM-06 NSCE-00 OIAE-00
COME-00 [illegible] L/A-04 TRSE-00 OPIC-07 PA-02
CEA-01 OMB-01 [illegible] SIL-01 IMRE-00 FRB-01 USIE-00
JUSE-00 SP-02 [illegible] PRS-01 /054 W
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FM AMEMBASSY ANTIGUA
TO SECSTATE WASHDC IMMEDIATE 1966
INFO AMEMBASSY BRIDGETOWN IMMEDIATE//

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DEPT. FOR ARA/ECP G. ROSEN
DEPT. PLEASE PASS USTR FOR G.H. SLATERY
MAE.G. 12356: N/A
TAGS: EINV ETRD EGEN MN
SUBJ: CBI DESIGNATION - MONTSERRAT - REVISION OF LETTER
REF: STATE 338255
TRADE. THE GOVERNMENT OF MONTSERRAT AGREES TO CONSULT WITH THE UNITED STATES GOVERNMENT IF THE UNITED STATES BELIEVES THAT ANY TRADE PROMOTION PRACTICES OF THE GOVERNMENT OF MONTSERRAT HAVE A TRADE DISTORTING EFFECT. THE GOVERNMENT OF MONTSERRAT WILL ALSO AVOID THE USE OF ANY PERFORMANCE REQUIREMENTS WHICH WOULD DISTORT TRADE WITH THE UNITED STATES.

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C (6) MONTSERRAT IS A FULL MEMBER OF THE CARIBBEAN COMMUNITY AND SUPPORTS ITS AIMS AND OBJECTIVES. WE BELIEVE THAT THE SUCCESS OJ CARICOM IN PROMOTING THE ECONOMIC DEVELOPMENT OF ITS MEMBERS CONTRIBUTES TO THE REVITALIZATION OF THE ENTIRE REGION.
C (7) MONTSERRAT IS COMMITTED TO THE "SELF-HELP" ETHIC AND ACTIVELY NURTURES A FREE ENTERPRISE SYSTEM WHICH IS REGARDED AS THE CRUX OF ITS ECONOMIC STRATEGY. THE ECONOMY IS BEING DEVELOPED WITH SPECIAL EMPHASIS PLACED UPON TOURISM, INDUSTRY AND AGRICULTURE. THERE ARE NO RESTRICTIONS UPON TRADE OR THE REPATRIATION OF PROFITS.
C (8) IN MONTSERRAT THE WORKERS' RIGHT TO ORGANIZE AND BARGAIN COLLECTIVELY, THEIR HEALTH AND SAFETY IS PROTECTED BY THE COMMON LAW.
C (9) MONTSERRAT AGREES TO PROVIDE ADEQUATE AND EFFECTIVE MEANS TO SECURE, EXERCISE AND ENFORCE EXCLUSIVE RIGHTS IN INTELLECTUAL PROPERTY, INCLUDING PATENTS, TRADE MARKS AND COPY RIGHTS.
C (10) MONTSERRAT AFFORDS THE SCME DEGREE OF PROTECTION AS THE UNITED KINGDOM. THE GOVERNMENT OF MONTSERRAT WILL

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ENSURE THAT ANY BROADCASTING, INCLUDING USE OF CABLE SYSTEM, BY NATIONALS OF MONTSERRAT WILL BE WITH CONSENT OF U.S. COPYRIGHT OWNERS. THE GOVERNMENT OF MONTSERRAT WILL COOPERATE WITH THE GOVERNMENT OF THE UNITED STATES IN FACILITATING NEGOTIATIONS AMONG THE APPROPRIATE PARTIES WITH THE OBJECTIVE OF EXPEDITIOUSLY REACHING AGREEMENTS PROVIDING SUCH CONSENT.
C (11) MONTSERRAT IS FULLY PREPARED TO COOPERATE WITH ALL REASONABLE PROCEDURES AIMED AT MAINTAINING THE INTEGRITY OF THE CARIBBEAN BASIN RECOVERY ACT TRADE PROVISIONS. THIS WOULD INCLUDE, BUT NOT BE LIMITED TO, APPROPRIATE CERTIFICATION PROCEDURES, MONITORING COMPLIANCE, AND PROVISION OF INFORMATION INASFAR AS THE LAWS OF MONTSERRAT PERMIT.

THE GOVERNMENT OF MONTSERRAT UNDERSTANDS THAT THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT RECOGNIZES THE AUTHORITY OF THE PRESIDENT OF THE UNITED STATES TO WITHDRAW OR SUSPEND THE BENEFICIARY STATUS OF PREVIOUSLY DESIGNATED COUNTRIES. THE GOVERNMENT OF MONTSERRAT AGREES TO NOTIFY THE UNITED STATES IN THE EVENT OF THE CHANGES

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IN ANY OF THE POLICIES, PRACTICES, LAWS OR REGULATIONS DISCUSSED ABOVE WHICH MIGHT BE INCONSISTENT WITH ANY OF THE DESIGNATION CRITERIA OF THE U.S. LAW. THE GOVERNMENT OF MONTSERRAT WOULD BE PREPARED TO CONSULT WITH THE USG UPON REQUEST CONCERNING SUCH CHANGES.
SINCERELY YOURS,
JOHN A. OSBORNE
CHIEF MINISTER
GOVERNMENT OF MONTSERRAT
END TEXT.
SALTER

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